Daily Report

Latin America

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FBIS-LAT-90-127 *2 July 1990*

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Economy Ministers To Discuss Bush Initiative

PA3006184690 Panama City ACAN in Spanish 1419 GMT 30 Jun 90

[Text] Guatemala City, 30 Jun (ACAN-EFE)—The economy ministers of Central America and Panama today will analyze in Guatemala the "initiative for the Americas" that U.S. President George Bush has proposed. This proposal has received the support of the area's governments, but there are also reservations concerning its interpretation.

The Bush plan was designed to reduce the foreign debt of Latin America and to promote a free trade zone in the hemisphere.

The two-day ministerial meeting concludes today when they discuss the possibility of creating a new juridical and operational framework in the region following agreements that created an economic plan for Central America designed to promote economic integration.

Concerning Washington's proposal, Costa Rican President Rafael Calderon has said that his government will analyze it "very carefully" because there could be adverse parts to it.

The president said that the elimination of commercial barriers would allow powerful foreign industries to compete with national industries that do not have competitive resources. "For this reason," President Calderon said, "we must carefully study the offer so we do not endanger the security and sources of employment for thousands of Costa Ricans."

The plan proposed by the U.S. President calls for a reduction in the $12 billion foreign debt the Latin American governments have with the United States. The U.S. President noted that the countries that benefit from this measure must be prepared to adopt strict economic reform programs.

Bush said he is also prepared to sign free trade agreements with Latin American and Caribbean markets to create a $300 million investment fund for America.

Honduran Economy Minister Ramon Medina has said that the Bush initiative has appeared all of a sudden and that the governments of the region must analyze it "very carefully." He said that so far, "reactions have been quick and casual."

The initiative is important because it provides Central America the opportunity to create a commercial bloc with the United States and the possibility of forming part of a large market with privileges that "in principle are very interesting for Central America," the minister said.

The economy minister of Guatemala, Oscar Pineda, has said that "the disposition of any developed country to give preferential treatment to our products, represents an acknowledgment of Central America's effort to rise from the crisis it has had to endure."

Marco Antonio Villamar, secretary general of the Secretariat of Central American Economic Integration [SIECA], is of the opinion that Bush's proposal "is interesting. Right now Latin American statesmen are probably thinking carefully about what the grand outcome of that proposal will be."

The SIECA official said that Central America must think "seriously" about having access to a market the size of the U.S. market, "so rich, powerful, and necessary to pull out of the economic crisis that burdens the majority of the Central American population."

SELA Secretary Assesses Bush Proposals

PA2906175090 Hamburg DPA in Spanish 2303 GMT 28 Jun 90

[Text] Caracas, 28 Jun (DPA)—Carlos Perez del Castillo, permanent secretary of the Latin American Economic System (SELA), said today that U.S. President George Bush's speech regarding the establishment of a dialogue with Latin America and the Caribbean admits the need to revise the relations between the United States and the region.

In his initial response to President Bush's proposal, Perez del Castillo told the press: "It is a positive idea to hold a dialogue with Latin America and the Caribbean, with a new basis, for mutual benefit."

During a speech delivered on 27 June before the Latin American and Caribbean diplomatic corps accredited to Washington, Bush announced his willingness to forgive part of the $12 billion intergovernmental debt and to create a free trade zone in the hemisphere.

Perez del Castillo said that Bush's speech "shows the United States' interest" in the region and "promotes new trade, foreign debt, and investment initiatives."

The SELA secretary added: "It, however, is still too early to give a definitive opinion," because "Bush's statements are still general and imprecise, and they open questions about issues of crucial interest for the region."

Perez del Castillo stressed Bush's express will to seek a rapprochement with the region's countries within the framework of the GATT Uruguay Round, which includes the corresponding strengthening of the multilateral system.

The SELA secretary described Bush's announcement of seeking significant reductions in import duties on the region's most important products as "commendable." Perez del Castillo added that the same thing should be applied to barriers others than the tariff barriers, which are "the main obstacles for our access to the markets" of the industrialized countries.

The proposal to create a free trade zone opens possibilities for an extensive dialogue with Washington to seek to guarantee a balance between interests and mutual benefits.

Perez del Castillo commented on Bush's statements about the foreign debt, in which the U.S. President admitted that

sustained growth cannot be guaranteed without solving the foreign debt crisis. Similarly, Perez del Castillo stressed that the Brady plan is insufficient because it only regulates the debt contracted with the private banks. Although Perez del Castillo described the proposal of reducing the "official" debt as "significant," he stressed that this only represents a small part of the region's indebtedness. To condition the forgiving of the intergovernmental debt on reforms in the field of investment security and adjustment and privatization programs would mean to transfer the Brady Plan's current conditions—which are already applied by the World Bank and the IMF—to the investment and privatization fields.

Perez del Castillo stressed that the dialogue between the United States and the region should focus rather on the SELA proposal, which includes a 25-percent reduction of the region's net transfer of capital represented by payments on servicing the four types of debt (the private and public debts, the debt contracted with financial organizations, and the debt among the Latin American and Caribbean countries themselves.)

According to SELA, the Latin American and Caribbean foreign debt totals $440 billion. In 1989, the region's countries transferred $40 billion in foreign debt payments.

Central America Prepares for EEC Meeting

PA2906190290 San Salvador Canal Doce Television in Spanish 0300 GMT 29 Jun 90

[Report by Marco Antonio Guevara]

[Text] Deputy Economy Minister Mario Acosta inaugurated on 28 June in a San Salvador hotel a meeting of Central American representatives prior to the fourth meeting of the mixed commission of cooperation between the EEC and the five Central American countries.

[Begin Acosta recording] Three years have already elapsed since the Europeans said they were going to give us support. Many projects have already been offered, such as reactivation of the Central American Common Market [words indistinct]. This is what I believe all the countries are waiting for before starting the talks. The truth is that the projects are long overdue and we do not want them to expire. Much expectation has been generated over these projects, and if they are not carried to fruition they [words indistinct]. [end recording]

According to Mario Acosta, the moment is right to take up the European countries' offer, because the Central American governments are now better committed to the Central American integration process.

[Begin Acosta recording] Fortunately, most of us have newly installed governments. At the beginning of 1991, we will be the oldest government in power, despite being only one year old, because there will be four completely new area governments. This is one of the problems we have been confronting. The other problem has been that the documents prepared by the area organizations entrusted with preparing them have not followed EC regulations, thus assistance will not depend on the EC but on the area countries. It is up to us to show initiative. The EC has offered to give us what we are able to request, but the problem has perhaps been (?not knowing what to request.) [end recording]

Lastly, the deputy minister said that Central America desires that area economic developement be favored at the meeting with the EEC countries, to take place at the end of June.

Cuba

Castro Castigates Havel for Interference

LD2906181390 Prague CTK in English 1709 GMT 29 Jun 90

[Text] Prague June 29 (CTK)—Czechoslovak President Vaclav Havel today received a letter from Cuban President Fidel Castro, accusing him of having grossly violated Cuba's sovereignty.

The Cuban president was responding to President Havel's message of June 22, protesting against a Cuban court sentence of seven opposition leaders to long prison terms and calling on the Cuban president to use his influence to achieve an immediate release of the unjustly sentenced persons.

President Castro said in his reply that Vaclav Havel's message revealed his "absolute ignorance of problems of our country on which you dared to express your opinion, not knowing all the circumstances and with absolute lack of respect for our judicial organs."

Castro said that persons who underwent the trial were no freedom fighters, stressing that the rights of Cuban citizens were protected by the constitution and there was no need for the president of Czechoslovakia to rush to protect them.

Castro said the seven persons were "mere tools of North American imperialism which you are so pleased to support without remembering its history of aggressions of which Panama is only the latest example." He said they were delinquents in the service of foreign countries and only a judicial body could decide their punishment with full authority.

Commentary Views Castro's Interview With CNN

PA2906164190 Havana International Service in Spanish 0100 GMT 29 Jun 90

[Commentary by Pedro Martinez Pirez]

[Text] Cuban President Fidel Castro has seriously challenged the U.S. Government to change its mentality on the Cuban revolution, lift the economic blockade, remove the fence erected at the Guantanamo Naval Base, and permit U.S. citizens to travel to Cuba.

In an interesting interview for U.S. television network CNN, the Cuban head of state comments on the differences between the two countries. He notes that the main obstacle to the normalization of bilateral relations comes from the United States and not Cuba.

In a one-hour television program broadcast in the United States and Cuba, Fidel Castro said that the spiteful disinformation campaign that the U.S. government and media have been waging for the past 30 years has created an unfavorable opinion toward Cuba in a large part of U.S. society.

It is clear that such an opinion encouraged by the unrealistic policy of various U.S. administrations today constitutes an impediment for the normalization of relations and that more objective information on Cuba depends on Washington's goodwill.

To change the current situation in accordance with new trends and recommendations of various statesmen and governments in the world—including Venezuela, Spain, the USSR, and Japan —rationality and common sense must prevail and factors preventing the peaceful coexistence between the two nations must disappear.

The United States must change its simplistic concept of Cuba's reality and the right of this small country to independence and self-determination.

Cuba does not demand that the United States change its capitalistic social system, therefore, Washington should respect Cuba's socialism, which is supported by the majority of its people.

Cuba does not maintain a trade embargo against the United States, therefore, Washington should lift the economic blockade against the island, which is illegal from any standpoint and which also violates the most fundamental principles of international humanitarian law.

Cuba does not have military bases in the United States, therefore, Washington should take the necessary measures to dismantle the Guantanamo Naval Base imposed on the Cuban people in 1898.

The pretext used by the United States based on the presence of Cuban troops in Africa is no longer valid. Recent developments in southern and southwestern Africa have permitted the return of the Cuban internationalist forces from Ethiopia and Angola. However, this was not a Cuban concession to the United States, as that would be unacceptable. This stance is absolutely hypocritical, considering the U.S. military presence in the world. Examples of this are Korea, the Philippines, Spain, Germany, Puerto Rico, and Panama.

The U.S. claim that Cuba exports its revolution to other nations in America was for many years part of the propagandistic arsenal against Cuba. It was invalidated by changes in Latin America and the Caribbean and the continued improvement of relations between Cuba and the other Ibero-American nations.

Now the United States seems to cling to an unrealistic and truly dogmatic position by adopting the unusual stance of imposing conditions on Cuba regarding its domestic policy. Washington is not only acting against international law but also against the current trends in the world which call for respect of the sovereign will of each nation, large or small, to choose the social system that best suits its national interests.

Therefore, President Fidel Castro was right when he said that the obstacles preventing the normalization of relations are entirely the responsibility of the U.S. Government.

Malmierca Remarks on Recent South American Tour

FL3006010090 Havana Television Service in Spanish 0000 GMT 30 Jun 90

[Text] Cuban Foreign Minister Isidoro Malmierca said today that the recent tour by a high-ranking Cuban delegation through Guyana, Venezuela, Ecuador, Peru, and Bolivia has strengthened the relations between our peoples.

[Begin Malmierca recording] We believe that the results were very positive in each of these countries. In addition to the meetings with the president of each nation—in some cases the prime minister—and in all cases the minister of foreign relations and other ministers, we also had the opportunity to meet, either formally, in formal talks, or in activities that were part of the schedule of the visits, with many other representatives of different political forces.

I think that one of the points that deserves very positive mention is that we almost always had the opportunity to receive very warm expressions of solidarity from all the political forces, those that are in government as well as those that are in different positions in the opposition. In every case they approached us; they participated in the activities the government itself held to mark our visit, or that our ambassadors held as part of the schedule of activities to be carried out. We were always able to receive these expressions, that they are with us, that they are determined to continue to offer their encouragement; their solidarity with Cuba, with our revolution, with the positions we defend, etc. [end recording]

Raul Castro Meets With Soviet Naval Officers

FL3006014090 Havana Television Service in Spanish 0000 GMT 30 Jun 90

[Text] Army General Raul Castro Ruz, second secretary of the Communist Party of Cuba [PCC] Central Committee and minister of the Revolutionary Armed Forces [FAR], met today at the Minfar [Ministry of the Revolutionary Armed Forces] with Rear Admiral Aleksandr V. Gorbunov, chief of the squadron of ships from the Black Sea fleet which heads the Soviet naval detachment that is visiting Cuba. Naval Captain (A. Chevikin), deputy for political work; Ship Chiefs and Frigate Captains (H. Ilpanov) and (V. Kironenko); Lieutenant General (Hebet Smernin), main military advisor; Naval Captain Oleg Shevchenko, army, navy, and air military attache; Minister Counselor V. Kiselev; and Rear Admiral (V. Baranik), main advisor to the [Cuban] Revolutionary Navy, were present at the meeting, which was held in an atmosphere of camaraderie and respect.

Division General Ulises Rosales del Toro, chief of the General Staff and first vice minister of the FAR; Division General Julio Casas Regueiro, first vice minister of the FAR; Brigadier General Sergio Perez Lezcano, member of the PCC Central Committee Secretariat and chief of its military department; Vice Admiral Aldo Santamaria Cuadrado; and Rear Admiral Pedro M. Perez Betancourt, chief of the Revolutionary Navy, attended for the Cuban side.

During the meeting, Army General Raul Castro expressed interest in the schedule of activities carried out by the members of the detachment and transmitted greetings to them in the name of the PCC and the Cuban Government.

CTC Secretary General Inaugurates Plenum

FL3006125790 Havana Tele Rebelde Network in Spanish 1100 GMT 30 Jun 90

[Text] The first day of activities of the special plenum of the CTC [Cuban Workers Federation] was presided over by Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba [PCC] and president of the Councils of State and Ministers. The special plenum was convened to analyze the call for the Fourth PCC Congress.

CTC Secretary General Pedro Ross Leal opened the debates. Ross Leal talked about the need to have an open, frank, and democratic debate without forgetting the priorities and demands created by the present situation in the country. He called on the plenum to discuss practical proposals, avoid the futile mental exercise of idealism, concentrate on what is possible, and fight subjective opinions because they hinder progress. The secretary general also urged delegates to discuss all items that might help the party improve our socialism, always keeping in mind that the first task of the people is to defend and support our revolutionary achievements.

Castro Attends, Views Resources

FL3006114590 Havana Television Service in Spanish 0000 GMT 30 Jun 90

[Report by Gladys Rubio and Maribel Puerto]

[Excerpts] Polemics have prevailed at this special plenum of the CTC [Cuban Workers Federation] National Committee. On the subject of agriculture, the debate focuses on structure, organization of work, wage system, and excess staffing.

[Begin recording] [Nelson Alvarez] Often there are enterprises that have accumulated a certain number of transport vehicles in one territory which are not always being fully used. However, another enterprise in that same territory is prevented from using them. What is lacking here, is a mechanism to evaluate the resources of a territory. The government of that territory has to have some powers for this.

[Fidel Castro] Give me a practical example. How would this work?

[Alvarez] I do not have now....

[Castro, interrupting] [Words indistinct].

[Alvarez] What?

[Castro] That is, if your cold allows you to present this to me. [laughter]

[Alvarez] It cannot make me more nervous. But I think that the People's Government could play an important role in a situation like this—for example, like the one he has presented. In the housing areas we have toured throughout the country, we have seen that sometimes there are problems in getting a product out. Sometimes there are problems, in fact, with getting the eggs out. Then the ministry, the regional office that responds to provincial factors, takes too long to find a solution to these problems. If the People's Government in the municipalities had certain powers, based on the resources of the territory, the priorities of the territory, the resources could be more efficiently utilized.

[Armando Delgado, in progress] ...and then, specialization but in the municipalities, there in the territory. Something must exist there that can evaluate all these activities so that when it is time for potatoes, the potato harvest, all agricultural resources can be directed to this fundamental activity, and it should not depend on....

[Castro, interrupting] What is the fundamental activity?

[Delgado] At this time, the potato harvest.

[Castro] And milk?

[Delgado] But that is why, based on an evaluation....

[Castro, interrupting] And what about the sugarcane? They go together. What about tomatoes, lettuce, and cabbage? So, what is the fundamental activity and who decides—the mayor? This is tremendous. What is the fundamental activity at this time? You say it is potatoes; I could say it is sugarcane. Someone else will say milk, because, well, the populace would be left without milk if everyone took off to plant potatoes. The thing is, this is not an isolated problem. The problems are tied together. I think that this is going to be associated with another problem that will come up here, and that is the number of meetings the agricultural enterprise directors call.

[Luis Simeon] Whoever manages an enterprise is not able to manage it because he is told what to do by the ministry, by global organziations, regional administrative offices—because our regional offices are administrative—and the union of enterprises. This is a problem that must be solved. The director of an enterprise practically does not decide anything, but they blame him for things later.

[Castro] I think this is very interesting material to reflect on, based on what the comrades have presented here in the plenum. Anyone can present an idea here. It may seem like a good idea. Someone else may say: Listen, this idea may have these problems for this or that reason, or we have had this type of experience in the past. Well, we cannot make mistakes. [end recording]

The search for suitable formulas for the agricultural wage system on many occasions led to an exchange of ideas with the commander in chief.

[Begin recording] [passage omitted] [Castro] What I cannot imagine is that in this country the technocrats thought you could have agriculture with wages of 80 pesos. That is why we have to be careful about strange ideas and crazy ideas. This kind of wage for agricultural workers is one of the crazy ideas.

One of the first things we did in this rectification process was put an end to those wages of 80 pesos. I think you know this. There are other principles related to what you have said on which we are working hard regarding associating wages with production. [end recording]

At the close of this report, the special plenum of the CTC National Committee continues in session in this room. It includes, among other subjects to be discussed, improving the system of economic management, union work, fulfilling the agreements of the 16th CTC Congress, organizing work in the event of interruptions in production, and the role of the party and government organizations.

Castro Discusses Labor Discipline

FL3006182390 Havana Cuba Vision Network in Spanish 1700 GMT 30 Jun 90

[Report by Gladys Rubio from Havana's Palace of Conventions]

[Excerpts] With the presence of Commander in Chief Fidel Castro, president of the Councils of State and Ministers, the special plenum of the Cuban Workers Federation, CTC, continues its debates at the Palace of Conventions.

The plenum resumed its debates today at 1000 on the topic of labor discipline. Last night's session ended at 0010. During these past few hours, the delegates discussed topics related to [words indistinct] in warehouses and labor discipline.

Important statements were made on the topic of control in units and warehouses. One of these statements was made by the secretary general of the Commerce Workers Trade Union. At Fidel's request, he presented comparative statistics to demonstrate the progress made, although, there is no doubt that much needs to be done. [passage omitted]

Regarding shortages and [words indistinct] in direct relationship to this problem, whether because of theft or negligence, the topic of discipline was brought up. Fidel referred to the importance of collective discipline which

is practiced by the contingents. He said that they have adopted a certain kind of discipline in some sectors, such as in the railway, health, and tourism industries. This concept, he said, has to become a part of the people's nature. [passage omitted]

Workers Show Support for Socialism

FL3006190490 Havana Radio Rebelde Network in Spanish 1700 GMT 30 Jun 90

[Station commentary]

[Text] Revolutionary work must be preserved and defended. This is what 10 million Cubans are discussing today during their debate on the call for the fourth congress of the PCC [Communist Party of Cuba], outpost of the working class and guide for our revolution.

Amid delicate international situations, when talks on socialism are just euphemisms, Cuba—located in the center of the Caribbean, 90 miles from the U.S. imperialists, suffering the blockade, and threatened as never before—has decided to continue on the path of Marxism-Leninism, to survive, and to succeed.

The spirit of Maceo and Marti, a spirit of struggle and trust, is the climate that prevails at the workers' debates when reflecting on these issues, as pointed out by Commander in Chief Fidel Castro. Many people think that the path should be dressed up with realistic and feasible formulas. It is true that subjective factors hinder development. It is also necessary to discover reserves and face difficulties with popular creativity.

The language at the debates throughout the country is frank, open, and democratic, and encompasses a broad variety of the very difficult and real problems we have to face. Revolutionary remarks have never before reflected so much self-criticism. Problems have been addressed head-on as never before. Personal opinions have never before been respected as today. Never have we had so much trust in success.

For bourgeois theorists and worm leaders in Miami, the death of the Cuban revolution is imminent. Perhaps those snobbish smart people should hear the popular outcry to become aware of the people's trust in Fidel, the party, and the government; perhaps they should be aware of their unyielding decision never to go back.

Socialism is in good health in the Cuba of Marti and Fidel.

Former Political Prisoners Begin Hunger Strike

FL2906132990 Bonaire Trans World Radio in English 1130 GMT 29 Jun 90

[Text] Three former political prisoners in Cuba have begun a hunger strike. They are demanding visas to travel to the United States. The three men say they will keep up the strike until a decision to deny the visas is reversed. Official Cuban media quotes the three as saying that the visas were denied by U.S. authorities because the applicants did not offer large enough bribes. U.S. officials in Cuba deny that statement.

Accuse U.S. of Abandonment

PA3006193190 Havana International Service in Spanish 0000 GMT 30 Jun 90

[Text] Three Cubans, who served time in prison for crimes against the state, have accused U.S. Radio Marti of distorting the truth. The U.S. Government does not want to give them resident visas and the station has reported that they served time for common crimes. Alexis Izquierdo, Evelio Ruiz, and Guillermo Fontane said that Radio Marti had based the information on statements by officials at the U.S. Interests Office in Havana. These U.S. officials had also stated that the Cuban Government was trying to present them as former political prisoners. The three former political prisoners have proposed that a UN commission, a U.S. Government team, or a team formed by whoever else is interested in the matter, be sent to Cuba to learn the truth about them.

Alexis Izquierdo, Evelio Ruiz, and Guillermo Fontane are part of a group of former prisoners who have accused the U.S. Government of abandoning them after encouraging them to fight Cuban officials for the past three decades. The three Cubans have been on an indefinite hunger strike since 27 June. They have stated that several U.S. officials, whom they mentioned by name, ordered them to continue struggling against communism in Cuba and they demand that the U.S. Government change these instructions.

Nicaraguan Government Economic Plans Assessed

PA2906191890 Havana International Service in Spanish 0100 GMT 29 Jun 90

["Our America" commentary, read by Manolo Ortega]

[Text] The Nicaraguan population is growing increasingly dissatisfied because of the evident worsening of the economic situation, which President Violeta Barrios de Chamorro—who recently celebrated her second month in office—is facing.

Approximately 1,200 workers of the Managua mayor's office are staging staggered strikes to demand salary hikes. Moreover, construction workers have taken forceful steps to request the reintegration of nearly 600 dismissed workers, as well as other demands.

It is often rumored in Managua that labor discontent takes place at a time when the inflation rate stands at over 900 percent. Meanwhile, small- and medium-sized industry, especially the textile and food industries, may stop producing if the government continues to neglect their needs.

Fernando Lara, secretary general of the Food Industry Labor Unions (Sector Sindical Alimentario), has said

that the authorities have not yet established a policy for this sector. The government is providing economic assistance for large companies in addition to appointing enterpreneurs as managers of profitable state companies in a process that will lead to the privatization of the economy, a prerequisite to receiving foreign economic assistance, said Lara.

Many sectors of the Nicaraguan population are concerned about the socioeconomic deterioration in the country, which began with a reduction in the purchasing power of salaries and the loss of the achievements of the people, such as the agrarian reform.

It is important to note that despite all the propaganda fuss made over the granting of U.S. emergency aid for Nicaragua, the $300-million loan does not represent a solution for the national economic problems, and the authorities are taking steps to obtain additional economic assistance from the IMF to try to move on. The government headed by Violeta Chamorro has requested $350 million from the IMF. If the money is obtained, it will be used—in addition to the money granted by the United States—to correct the problems created by what the new Nicaraguan Government describes as previous administration mismanagement.

It is easier to say that the Sandinist Government mismanaged the state funds than to show the real cause of the conflict because this would offend the U.S. friends of President Barrios de Chamorro. For this reason, the president and her economic advisors are careful when talking about the 10 years of war imposed on the Sandinist revolution by armed groups financed and supported by different U.S. administrations.

When requesting economic assistance from the IMF, the current Nicaraguan Government explains that one of its most urgent tasks is to cut government spending and to privatize many sectors in an orderly fashion. Regarding the cutting of spending, one must understand that this means leaving thousands of people jobless. If one is referring to privatization, this means that more revolutionary achievements will be left behind.

For now, many people believe that after two months in office the new Nicaraguan administration's only positive results are the demobilization of the rebels, which has not yet ended, and the reduction of the Sandinist People's Army.

Commentary on German Economic Unification

FL3006134490 Havana Radio Rebelde Network in Spanish 1043 GMT 30 Jun 90

["Our Opinion" commentary by Rafael Berasegui from the "Haciendo Radio" program]

[Text] No one can exactly determine the global consequence of the FRG's total absorption tomorrow, Sunday [1 July], of the GDR.

The FRG is the most important member of the EEC. Experts recommended gradual unification but it will occur abruptly primarily because of the interest of the FRG's Social Christian Party in attaining rapid political dividends. The ruling Social Christian Party financed the 18 March electoral victory of the German Alliance coalition in its eastern counterpart. The coalition is controlled by Lothar de Maiziere's Christian Democratic Union. West German Chancellor Helmut Kohl is even studying the possibly of extending the FRG elections scheduled for the end of the year to the GDR. This would, thus, make him the first head of government of a united Germany. In the meantime, the introduction of the Deutsche mark as a common monetary unit with the GDR, as of tomorrow, will be a difficult test of the solidness of the mechanism that precedes the integration of the 12 members of the ECC in two years.

Some fear increased interest rates in the FRG in response to the uncontrolled inflation in the former GDR and the emergence of a tremendous deficit in public spending, which would shake the entire financial structure of the old continent.

For the moment, this is all speculation. The only certainty is that the unification scheduled for Sunday, 1 July, will create unemployment for four million of the 9 million residents of the eastern part of Germany, permanently eliminate the social victories attained there over four decades, and eliminate one out of every three enterprises that now exist in the GDR.

What can be bought with the very high price that will have to be paid for Sunday's annexation?

Economic Cooperation Agreement With Seychelles

FL2906203090 Havana Radio Reloj Network in Spanish 1955 GMT 29 Jun 90

[Text] With the signing of an economic cooperation agreement between the Governments of Cuba and Seychelles, the joint commission of the two countries has completed its work today in a meeting in Victoria, the capital of the Seychelles. Seychelles Minister of Administration and Manpower Joseph Belmont and Noemi Benitez de Mendoza, vice president of the Cuban State Committee for Economic Cooperation, signed the agreement.

The agreement expresses the satisfaction of the two governments with the results of trade relations between 1987 and 1989. For the period from 1990 to 1992, cooperation will be continued in the areas of technical assistance and training. This will make it possible to strengthen mutual understanding and friendship, the two parties said.

Ministry Continues Inspection of Western Army

FL2906122590 Havana Tele Rebelde Network in Spanish 1100 GMT 29 Jun 90

[Text] Regular units and people's forces for the defense of Havana territory have been visited on the third day of the Ministry of the Revolutionary Armed Forces' inspection of the Western Army. A test flight was conducted of a combat aircraft that was no longer in service because of the damage caused by a tornado that hit Camaguey two years ago, destroying this type of machine. Commanded by pilot Lieutenant Colonel Jimenez, the aircraft was flown for the first time to confirm its maneuverability and systems, and develop altitude. [video shows planes in flight] This was made possible thanks to the ability and skills of our pilots. Most of them have accumulated over 100 combat actions.

Territorial Troops Militia units and Defense and Production Brigades were also inspected. The importance of these groups for the defense of the capital must be noted because of Havana Province's geographical location. Target-shooting exercises with antiaircraft weapons, training of obstacle engineer squads, and militiamen classification tests were some of the popular forces' tasks inspected during these three days. [video shows unidentified people conducting target shooting]

Bilateral Trade Commission Meets in Caracas

FL3006135290 Havana Tele Rebelde Network in Spanish 1100 GMT 30 Jun 90

[Text] The Cuban-Venezuelan trade commission ended its first session in Caracas. The delegates signed a document expressing the two countries' willingness to increase their bilateral trade relations and balance their trade which, until now, has favored Venezuela.

The document was signed by Gabriela Febres Cordero, president of the Venezuelan Foreign Trade Institute, and German Amado-Blanco, first vice minister of the Cuban Ministry of Foreign Trade.

According to the document, the two parties agreed that it is necessary to take measures to increase Cuban exports to Venezuela to balance bilateral trade. The Cuban delegation talked about the possibility of expanding exports in sectors such as medicine and high-technology medical and electronic equipment.

Troops Withdrawn From Angola Now Total 35,045

FL0207114290 Havana Tele Rebelde Network in Spanish 1000 GMT 2 Jul 90

[Text] The Ministry of the Revolutionary Armed Forces [Minfar] has announced that Cuba has withdrawn 244 internationalist combatants from Angola in accordance with the tripartite agreements that were signed in New York on 22 December 1988. The total number of troops that have been withdrawn from Angola now totals 35,045.

The entire withdrawal process has been supervised by the UN verification mission in Angola.

Cooperation Brigade Arrives From Scandinavia

FL3006022090 Havana Radio Rebelde Network in Spanish 2315 GMT 29 Jun 90

[Report by Alberto Garcia Sosa from the "Exclusivo" program]

[Text] I am at the Julio Antonio Mella International Camp in Caimito Municipality, Havana Province, where 70 members of the Nordic Brigade from Sweden and Finland are staying. The representatives from Denmark, Norway, Iceland, and the Faroe Islands are expected to arrive tomorrow, and on Sunday [1 July] afternoon they will be officially welcomed by the Cuban Institute of Friendship with Peoples, ICAP.

The more than 100 friends of the Cuban revolution that will make up Contingent 20 of the Nordic Brigade will work for three weeks in agriculture and construction at citrus enterprises in Ceiba, to show in a practical way their support for the beautiful work of the Cuban people.

The Nordic Brigade members will also visit Las Tunas and Granma Provinces and the Isle of Youth Special Municipality. The schedule the Nordic Brigade will follow in Cuba includes their participation alongside the residents of the capital in the central ceremony in Revolution Square marking the 37th anniversary of the assault on the Moncada Barracks.

Sugarcane Harvesting Machines Exported to Iraq

FL3006153390 Havana Tele Rebelde Network in Spanish 1250 GMT 30 Jun 90

[Text] The 60th Anniversary of the October Revolution factory exported eight new KTP2 sugarcane harvesters to Iraq this month. According to the agreement that was signed in Iraq, the successful deal includes Cuban technical assistance for five months and packages of spare parts.

The sugarcane harvesters—like the previous ones—will operate in the sugarcane areas of [words indistinct]. The Cuban technical assistance will be guaranteed by a group of 31 highly qualified workers. The team includes Hero of the Republic of Cuba, Arcel Quevedo.

The first sugarcane harvesters sold to Iraq reached an average productivity of [words indistinct] a day. The technical report at the end of the harvest was satisfactory, according to the Cuban team that recently visited the country.

Inter-Caribbean Affairs

Attorneys-General Propose Caribbean Appeals Court

FL2906221590 Bridgetown CANA in English 2145 GMT 29 Jun 90

[Text] Port of Spain, Trinidad, June 29, CANA—Caribbean Community attorneys-general are to recommend establishment of a nine-member team of regional jurists and other legal experts to choose judges to man a proposed Caribbean Court of Appeal. Trinidad and Tobago's Attorney General Anthony Smart on Friday [29 June] hosted a meeting of the sub-committee of the standing committee of attorneys-general. The committee was set up to draft an agreement for the establishment of the regional court which Caricom [Caribbean Common Market] member countries would accede to when ready.

The agreement was reviewed on Friday and will be put before Caricom heads of government who start their annual summit in Jamaica at the end of July. Trinidad and Tobago has volunteered its new Hall of Justice as the home of the court of appeal. Trinidad's Attorney General Anthony Smart told CANA Friday that he believed Trinidad and Tobago, Jamaica, and Barbados would be the first countries to accede to the agreement since they would be most easily able to introduce laws and amend their constitutions to suit. Countries in the Organisation of Eastern Caribbean States (OECS) are bound to hold a referendum before any such moves are made.

Smart said Guyana, which has already moved from making use of Britain's Privy Council, is looking at the proposal. Trinidad and Tobago would need to introduce legislation as well as amend its governing constitution before the court can be used here. Also, government would have to put aside facilities in the Hall of Justice for the court's seat.

Asked about the actual mechanisms of choosing judges for the court—one of the contentious parts of the proposal—Smart said an eight-member regional judicial services commission was being proposed. The commission would comprise a court president, one member of the regional body representing legal professionals, two representatives of national judicial and legal service commissions, one regional public service commission representative, Caricom's secretary general, a distinguished jurist appointed by the court president based on proposals by the University of the West Indies's Law Faculty deans and two representatives proposed by regional bar associations.

"It is an idea, it is an institution which would further the process of integration in the Caribbean. It would further encourage the development of Caribbean jurisprudence," Smart told CANA. "The time came some time ago, I would think, and we are really very anxious to see it put into effect. It would be a further demonstration of our independence, our ability to run our own affairs in the Caribbean," he added.

Caricom heads of government gave the attorneys-general the nod two years ago to draft recommendations for the regional court of appeal which would end the use of the Privy Council as the final arbiter in Caribbean court decisions. The sub-committee was set up in April 1989 to formulate proposals. Meeting on Friday were Smart, Barbados' Attorney General Maurice King, Jamaica's Attorney General Karl Rattray, Dominica's Attorney General Jenner Armour, and Director of Caricom's Legal Department Bryan Pollard.

Barbados

Senator Comissiong Resigns, Criticizes Sandiford

FL2906213090 Bridgetown CANA in English 2104 GMT 29 Jun 90

[Text] Bridgetown, Barbados, June 29, CANA—Government Senator David Comissiong, rejected by Barbados' ruling Democratic Labour Party (DLP) as a candidate for the next general election, has resigned from the Senate saying he has lost all faith and confidence in Prime Minister Erskine Sandiford. The 27-year-old senator, who announced the resignation Thursday [28 June] night, said he had no other course and was demanding a public apology from Sandiford, who is also the DLP leader.

Explaining why he resigned, Comissiong said, "It is because of the unprincipled, hypocritical and vicious manner in which the city branch of the DLP, the people of Bridgetown and I have been treated by Erskine Sandiford".

"I have lost all faith and confidence in Sandiford and feel I can no longer serve in the Senate in an administration headed by him," he said. Comissiong, who was courting the city constituency and the seat held by businessman Peter Miller, was rejected as a candidate for the forthcoming elections by the DLP's Executive Council after the Constituency Branch had supported him.

Comissiong said one reason for his resignation was a philosophical rift between him and Sandiford. "Based on the reasons Sandiford and his cohorts have adduced as evidence of my disloyalty and unfitness as a candidate, it is clear to me that there is a clear philosophical division between Sandiford and myself," he said.

He added that Sandiford was "clearly out of line with the brighter and more progressive aspects of the DLP's philosophical or ideological tradition as established by the late Errol Barrow and others".

The senator was openly critical of the United States invasion of Panama last December and also took part in a demonstration outside the US Embassy here during a visit to Barbados by US Vice President Dan Quayle that was aimed at fence-mending after the military action. He was also critical of government's cancellation of a visit to Barbados by black South African freedom fighter Oliver Tambo. Comissiong has also been popular in the city as

a champion of the rights of small businessmen, particularly vendors and craftsmen.

Maycock Back to UN; Carter Moves to Education

FL0207110290 Bridgetown CANA in English 2019 GMT 30 Jun 90

[Text] Bridgetown, Barbados, June 30, CANA—Besley Maycock is returning to New York in August as Barbados' permanent representative to the United Nations. Before taking up his post as permanent secretary in the Ministry of Education, Maycock served at the United Nations and was cited for his work against apartheid in sports. At the United Nations he will replace Dame Nita Barrow, now Barbados' governor general.

Career diplomat, Carlisle Carter will take up duties as acting permanent secretary, Ministry of Education and Culture from Monday [2 July]. Carter whose substantive post is deputy permanent secretary, in the Ministry of Foreign affairs has served Barbados in several diplomatic capacities in North America and England.

British Virgin Islands

Stoutt Travels to Hong Kong; Investors Sought

FL0207110390 Bridgetown CANA in English 2140 GMT 30 Jun 90

[Text] Road Town, Tortola, June 30, CANA—The British Virgin Islands [BVI] is trying to attract investors planning to pull out of Hong Kong before the Chinese take over in seven years.

The islands' chief minister, Lavity Stoutt, will begin talks in Hong Kong on Monday [2 July] with a number of businessmen who are expected to leave before the British hand back the country to China in accordance with a long-standing agreement, CANA radio reported.

Stoutt indicated in his budget address in February that his government would seek investment from Hong Kong, where several businesses are looking for new homes amidst fears that the Chinese will rule with an iron fist. His government has been moving to broaden the base of the financial sector here. Once dominated by international business companies, the sector is being revamped to attract offshore banks, trusts and securities, and insurance companies.

The BVI delegation will meet with government and private sector corporations in Hong Kong. The delegation hopes to learn from the experiences of Hong Kong's successful financial industries, Stoutt reported.

Dominican Republic

Oil Workers Return to Work; Strike Ends

FL2906180790 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 29 Jun 90

[Text] Oil truck drivers have returned to work. They are filling their tanks at the refinery. This means that the gasoline supply will be normalized promptly. Dozens of trucks headed toward the interior of the country early this morning to resupply interior service stations with gasoline, gas oil, and cooking gas.

Truck drivers returned to work following a preliminary agreement between the Oil Transport Association and the Union of Oil Truck Drivers to end the conflict that has already lasted 12 days.

Haiti

Pierre-Louis Named Interim Finance Minister

FL2906160990 Port-au-Prince Radio Nationale in Creole 1300 GMT 29 Jun 90

[Text] The Directorate of Information of the Ministry of Information, Culture, and Coordination announces that the position of minister of economy and finance, which was occupied by Mrs. Violene Legagneur, who resigned; is now filled, ad interim, by Minister of Public Works, Transport, and Communications Jean-Pierre Moise Pierre-Louis.

That was a press release from the Ministry of Information, Culture, and Coordination.

MJL Asks State Council To Assume Government

FL2906163490 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 29 Jun 90

[Report by Milceus Gaspard from Petite Riviere de l'Artibonite]

[Excerpts] [passage omitted] In a statement to the press, the Labadie Youth Movement [MJL] protests the fact that the passive judiciary has not arrested the Finance Ministry employees and political parties who have been preaching violence, as well as Mrs. Violene Legagneur, who, maneuvering, crookedly resigned after the blood of Serge Villard, Jean-Marie Montes, and Emmanuel Magny had been shed at the Santos.

The MJL spokesman also asks the State Council to acknowledge itself to be the government, because the State Council has a mandate from the people. [passage omitted]

While Kodet, Coordinating Body of Democratic Organizations of Petite Riviere de l'Artibonite, asks organizations in the four corners of Haiti to work together to form a chain of solidarity to overthrow the dictatorial

and bloodthirsty regime of Mrs. Ertha Trouillot, the MJL asks the head of the Army to help the judiciary accomplish its duty without fear by arresting and sending to court Mrs. Violene Legagneur and the Finance Ministry employees who threatened the State Council. [passage omitted]

Party Leaders Interviewed on Elections

FL2906174090 Port-au-Prince Radio Nationale in Creole 1300 GMT 28 Jun 90

[Report by Jean-Marie Ferrari; italicized passages are recorded]

[Excerpts] To hold elections very quickly has become, for a number of people—observers or leaders—very important today, after this week's events. According to many observers with whom we have spoken, the forces opposed to change should not be victorious; and according to these observers, the way to bar the road to these forces is to hold proper elections as quickly as possible with, of course, great security, as promised by the nation's provisional president and Army.

In this connection, the latest incident in Haiti led us to question a number of political leaders. We discovered, judging by their statements, that the three leaders think more or less the same way. All three of these leaders—Dr. Hubert de Ronceray of the MDN [Mobilization for National Development]; attorney Francois Latortue of the Model/PRDH [Democratic Movement for the Liberation of Haiti/Democratic Revolutionary Party of Haiti]; and attorney Martial Celestin, second-in-command of the RDNP [Assembly of Progressive National Democrats]—said they are in favor of elections, and that only the realization of the coming elections can get us out of our current situation.

Professor De Ronceray, for his part, went even farther. He said the insecurity is the consequence of the tragic poverty, unemployment, rural exodus, and other such things; consequently, we should not allow ourselves to fall into a trap. According to De Ronceray, if we wish to solve the insecurity problem, we must attack its causes, and only by going to elections can this be done. [passage omitted]

The MDN leader said he is very optimistic. He bases himself, first, on the statements by CEP [Provisional Electoral Council] president Jean-Robert Sabalat, who said in a news conference that elections are possible and will be held at the end of September. Next, he is basing himself on the statements by the nation's provisional president who, in a 23 June communique, said the authorities have taken steps to have the elections take place normally. [passage omitted]

Francois Latortue, leader of the Model/PRDH, thinks that only the successful holding of the coming elections can get the nation out of the crisis it is experiencing at present. Latortue said, however, that the authorities must take clear measures to reassure everyone so the electoral campaign can go off well.

[Latortue] *Elections are in everyone's best interest. Let no sector think it will be to that sector's benefit not to have elections. The nation is going under. It is practically at the bottom of the abyss. The economic situation is absolutely intolerable for most sectors. There is generalized extreme poverty and the longer the current situation lasts, the worse the poverty will get. The situation could result in a veritable explosion of violence because extreme poverty generates violence. Thus, I feel that all sectors should understand this truth. Everyone should get together to say: Let us go to elections to see if we can get the country out of this situation it is in. I mean, already, other countries consider us a country of [word indistinct]. [passage omitted]*

I know the electoral law is ready, at least the draft law, which has been submitted to the executive. According to my information, it is ready. However, I see that it has not been made public yet. This worries people. People are wondering why the law is being held back. Of course, according to my information, it seems many of this law's provisions are going to provoke major reaction. [passage omitted]

For his part, Martial Celestin, the RDNP's second-in-command, says everyone can see that the nation's situation is truly hairy. No one can predict what we will fall into tomorrow. He said people have all kinds of apprehensions. However, there is good hope, he said. Everyone must set to work together. Here is Martial Celestin.

[Celestin] *Many people of goodwill—I must repeat that word—would like to see elections held, to see if peace will at last return to this country. So would I, because if elections are held I will win them. I will be elected. Myself and my party, we will take power again. It is this hope that makes me want elections. That is all I can tell you about elections. Hope, along with me, that they are held. However, we still cannot see clearly into the elections. [passage omitted] Let us hope the electoral law will be published, the electoral calendar put out, and calm reestablished, so there can be elections.*

Asked about Professor Leslie Manigat's health, Mr. Celestin said Mr. Manigat is very well and will be returning to Haiti during the first two weeks of July. He says that is what they are at present working toward.

[Celestin] *[passage omitted] It is we who are organizing things. Once we are ready, we will say to him: OK, come on. Forward! [preceding word in Spanish]*

Thus, as you have just heard, everyone is in favor of elections. They agree it is elections that will get us out of our current situation. However, they also all agree that the problem of insecurity must be solved so elections can go off well. Also, many observers think that, as in

Argentina—which has the same problem we do, especially recently—each house should be encouraged to organize its own security and the security of its neighborhood.

Jamaica

Prime Minister Welcomes Bush Trade Initiative

FL2906165290 Bridgetown CANA in English 1634 GMT 29 Jun 90

[Text] Kingston, Jamaica, June 29, CANA—Jamaica Prime Minister Michael Manley has welcomed President George Bush's "enterprise for the Americas" initiative saying it signalled the opening of a new era in hemispheric trade, economic and social relations. He added he would be writing a personal letter of appreciation to the president.

On Wednesday [27 June], President Bush announced that he would forgive a portion of the 12 billion dollars in official debt owed to the United States by Latin American countries as part of an effort to bolster the region's economy. Bush urged a new initiative to trade and called on Latin American countries to move towards freer markets.

Acting Prime Minister P.J. Patterson in welcoming the latest initiative said the government would be studying its various aspects to ensure that the country would derive the fullest benefit. He noted that the three pillars outlined in the President's statement - trade, investment and debt - were central to the development strategy of Jamaica and the Caribbean. He said he expected that the new initiative would be discussed at the Caribbean Community heads of government meeting to be held here in July.

Patterson said it was heartening to note that several areas covered in the initiative reflected items which were high on the agenda of recent bilateral discussions between Bush and Manley in Washington last month.

Executive director of the private sector organisation of Jamaica (PSOJ) Delroy Lindsay, said it was the first time that the International Monetary Fund (IMF), the World Bank and the Inter-American Development Bank had been asked to look at the issue of debt reduction. He said that the issue of multilateral debt should be addressed especially in the case of Jamaica which had a small portion of commercial and bilateral concessionary loans in its approximately 4 billion dollar debt. Lindsay said he hoped that additional resources would be tied to policy conditionality of liberalisation and the deregulation of state-owned enterprises.

Report Concerning DEA Agents, Weapons Denied

PA3006045790 Mexico City NOTIMEX in Spanish 0436 GMT 30 Jun 90

[Text] Mexico City, 29 Jun (NOTIMEX)—The Mexican Foreign Relations Secretariat denied this evening the report published by the U.S. newspaper THE LOS ANGELES TIMES, which said that U.S. antidrug agents are authorized to carry weapons.

The secretariat said that the statements by Ronald Ostrow and Douglas Jehl, published today by the newspaper in an article entitled "Mexico Says That U.S. Agents May Carry Weapons" are false.

The government agency also rejected the report that diplomatic immunity will be extended to Drug Enforcement Administration (DEA) agents in Mexico, as reported by the journalists in the same article.

The article quoted statements given by DEA officials, who said that—according to the new rules for the DEA agents' presence in Mexican territory—the Mexican Government has discreetly agreed to let them carry weapons when operating in the country, and to extend them diplomatic immunity.

The Foreign Relations Secretariat's communique states that such statements are false because these conditions are not stated in the text or in the spirit of these norms.

The foreign secretariat recalled that on 15 June, when it reiterated Mexico's interest in reinforcing cooperation for fighting narcotics trafficking through the corresponding diplomatic channels, it delivered to the U.S. Government new guidelines for regulating the presence and activities of DEA agents in Mexico.

These new conditions emphasized that the purpose of the DEA agents' presence in Mexico is that of serving exclusively as liaison for exchanging information and cooperating in programs both countries have agreed upon, as well as the activities that will be subject to the corresponding Mexican laws and regulations.

The secretariat also said the Mexican Government is willing to comply with the regulations the United States reciprocally establishes for regulating the presence of Mexican agents in its territory who carry out tasks equivalent to the ones of the DEA in this country.

The Foreign Secretariat emphasized that for Mexico, respect for national sovereignty is the starting point of all international cooperation efforts with a foreign country, which includes cooperation with the United States in fighting narcotics trafficking.

Senate Commission Chairperson on Bush Proposal

PA3006200190 Mexico City NOTIMEX in Spanish 2140 GMT 28 Jun 90

[Text] Mexico City, 28 Jun (NOTIMEX)—Senator Blanca Ruth Esponda today said that the U.S. proposals for establishing free continental commerce, creating an investment fund, and forgiving part of the Latin American debt demonstrate support for the region.

Esponda, who is chairperson of the Foreign Relations Commission, fifth section, ruled out that this is part of a U.S. plan to force the creation of a continental common market that would compete with the EEC.

During an interview with NOTIMEX, prior to a senate session, the Chiapas legislator said that the free commerce agreement would be established by regions, given Latin America's economic differences.

She said that the Latin American economies require a gigantic effort for their recovery, which would take many years without support from industrialized countries, specifically from the United States.

Upon announcing the plan to Latin American ambassadors, President George Bush said on 28 June that the United States would work with the Inter-American Development Bank to create a loan program that will encourage investments and to take part in a multilateral fund with the same goal in mind.

The U.S. President said that his country would request authorization to forgive "a substantial part" of the $12 billion that Latin America and the Caribbean owe the U.S. Government.

Costa Rica

Calderon Says Bush Proposal To Be Studied

PA2906202190 Hamburg DPA in Spanish 1843 GMT 29 Jun 90

[Text] San Jose, 29 Jun (DPA)—Costa Rican President Rafael Angel Calderon said today that the Costa Rican Government will undertake an exhaustive study of the proposal made by U.S. President George Bush to create a free trade zone in the continent and to forgive part of Latin America's debt.

President Calderon said it was a momentous proposal, adding: "I have asked our economic team to begin making an in-depth study of the proposal."

Calderon said that the proposal is so important that "the government obviously cannot make a hasty decision because the proposal includes very good things, but it also will cause some serious problems in the national industry."

The president said that the lifting of tariff barriers—which would occur if the terms of the proposal are accepted—would place the poorest Costa Rican companies at a competitive disadvantage.

"An in-depth study must be made so that the job security and sources of employment for thousands of Costa Ricans will not be threatened," he said.

Samuel Yankelewitz, president of the Chamber of Industries, said that the U.S. initiative is good for Latin America. He warned that Costa Rica might be hurt because some of the "privileges" currently in effect solely for Central America through the Caribbean Basin Initiative are included in the Bush proposal, which includes Latin American countries. "We will have to compete with the big Latin American countries. The government will have to make an effort to be competitive," he added.

Samuel Hidalgo, president of the Union of Private Enterprise Chambers, said he is afraid that the proposal will cause Costa Rican companies to go out of business in view of the unfavorable competition.

The Bush initiative is based on three basic points: trade benefits, investment programs, and reduction of Latin America's debt to the United States.

Chamber of Commerce Comments on Bush Proposal

PA3006035890 San Jose Radio Reloj in Spanish 0125 GMT 30 Jun 90

[Text] The Chamber of Commerce has viewed with satisfaction the initiative for the Americas announced by U.S. President George Bush.

Commenting on President Bush's speech regarding the initiative for the Americas in which new economic relations were announced, Chamber of Commerce President Silvia Fletcher said that it could be very advantageous for our countries.

She added that the United States needs Latin America's development to increase consumption and thus expand its business activities. The United States views us as partners and consumers and not as simple providers of cheap raw material, Fletcher said after learning about President Bush's speech.

Regarding President Bush's proposed negotiations for free trade in Latin America, Fletcher said that such negotiations should include a timetable for that opening, in order not to affect the country's productive stability.

She added that a possibility could be proposing a gradual reduction of national customs tariffs of approximately one percent annually, which would begin once the national industry recovers from the transition caused by PAE [not further identified] One and Two. Fletcher said that this reduction would be linked to a U.S. reduction and eventual elimination of all nontariff barriers on trade such as quotas preventing free exports of textile products, shoes, sugar, and others.

The president of the Chamber of Commerce said that President Bush offered his assistance in matters of common interest at the round of talks in Uruguay and that therefore, we believe it is important to propose a tariff reduction on products excluded from the CBU [not further identified].

She added: That tariff reduction would be an opportunity for the United States to show its interest in carrying forward the plans for free trade in our favor.

Fletcher said that President Bush's speech should be interpreted not merely as an offer, but as a commercial proposal for mutual assistance. This implies a recognition by the United States that unless well-being and consumption is improved, U.S. economy will become stagnant, and therefore, it regards Latin America as its new commercial border.

Authorities Deny Presence of Panamanian Fugitives

PA0107140590 Panama City ACAN in Spanish 1922 GMT 29 Jun 90

[Text] San Jose, 29 Jun (ACAN-EFE)—Costa Rican authorities, who today denied reports from Panama on the arrest of former Colonels Lorenzo and Alberto Purcell of the defunct Panama Defense Forces, have said that the fugitives could be in Mexico. A top official of the special security investigations division told ACAN-EFE that it was only this morning that they received a formal request from Interpol-Panama to "find and capture" the Purcell brothers.

"If they are captured, the Panamanian Government would have to begin the corresponding extradition procedures," the source stated. This official, who declined to be identified, said that "so far, there has been no

official information on the matter." However, the source cited unofficial information, stating that the Purcells, who served under former General Manuel Antonio Noriega, had been "in transit" in Costa Rica and flew to Mexico.

This report will not be confirmed (or denied) until Monday, 2 July, since the migration office will remain closed today for the holiday (today is St. Peter and St. Paul's Day) and the weekend.

Immigration officials said handing over the colonels to Panama, should they be captured in Costa Rica, is a delicate matter. Owing to the political overtones of the case, authorities from both countries must go through all the necessary legal requirements, they noted.

Costa Rican law establishes that the courts, not the police or the Executive Branch, must order the extradition. According to a report from Panama, the Purcell brothers evaded that country's authorities over six weeks ago and fled to Costa Rica by land. Police sources in Panama said they escaped through the Paso Canos border post between 6 and 8 May, at the time of the inauguration of Rafael Calderon Fournier in Costa Rica.

El Salvador

Citizens Alarmed Over Possible Rebel Offensive

PA0107032390 Paris AFP in Spanish 0137 GMT 1 Jul 90

[Text] San Salvador, 30 Jun (AFP)—Strong rumors about a possible guerrilla offensive continued to alarm San Salvador residents today. These rumors began with statements by rebel leaders and government officials and spokesmen.

The Salvadorans' worry increased after the guerrillas launched a three-hour attack on military positions in San Salvador's northern outskirts on 29 July. Military sources have confirmed that the guerrillas had attacked with rifle fire the national guard, police, civil defense, and elite battalion positions in the San Sebastian neighborhood. The Army's press office reported that the rebel attack had not left casualties but shooting could be heard throughout most of the city until midnight.

Guerrilla units also ambushed military vehicles in Quezaltepeque and Ilobsco, in northern and eastern San Salvador respectively, at dawn on 30 June. The official report indicated that three soldiers had been wounded in these actions.

These incidents, the fact that army patrols have been increased in San Salvador, plus the statement made by rebels that they will continue military actions despite ongoing peace negotiations, have increased the city's fears about a possible guerrilla offensive. Soldiers with combat gear and belonging to different units have been seen all over San Salvador.

Farabundo Marti National Liberation Movement (FMLN) rebels said, after meeting with the government delegation in Oaxtepec, Mexico, that an offensive similar to the one they carried out in November would be a legitimate action to force the peace efforts to advance.

President Alfredo Cristiani reported this week that the FMLN had threatened to launch a new offensive and warned that such an action would destroy the negotiations begun in May.

FMLN and government delegations discussed the thorny topic of reducing and purging the Armed Forces during the last meeting in Mexico. FMLN leaders later reported that the position of the Salvadoran military continues to be inflexible and that, consequently, a guerrilla offensive that would exert pressure to attain these political agreements would be legitimate.

Business Association Hails Bush Proposal

PA3006224490 San Salvador Canal Doce Television in Spanish 0300 GMT 30 Jun 90

[Text] Camilo Bolanos, National Association of Private Enterprise [ANEP] president has said that the proposal made by U.S. President George Bush to create new political and economic relations between the United States and Latin America in order to reduce the debt in Latin American countries is positive. The Salvadoran business leader stressed that the proposal offered an opportunity for Latin American countries to develop with greater freedom and without risking damage to their economies.

[Begin Bolanos recording] We definitely believe this proposal is positive. Latin American countries, in general terms, small countries, the so-called Third World, have always been afraid of opening their economies in both directions when having to trade with economically stronger countries. The few that have done this, like the European and Asian countries, have been able to see favorable results. It is not true that we are going to lose out because of unbalanced trading terms; what will happen is that our economies will be more efficient. We are happy about this announcement and we believe that it is going to positively contribute toward the country's economic outcome. [end recording]

The ANEP president also said that private enterprise is viewing the resumption of talks between the government and the FMLN [Farabunbo Marti National Liberation Front] as a way to end the war and begin the country's economic recovery. Camilo Bolanos was emphatic in pointing out that it is difficult to develop any economic plan with a conflict under way.

[Begin Bolanos recording] We have strong hopes that we will attain peace very soon. There is an understanding and awareness among the citizens of all sectors that peace is an unquestionable necessity sought by all. We are sure that the government-implemented economic

scheme is the right one and that it will allow the country to recover soon. [end recording]

Last night ANEP held an ordinary general assembly where the work done between June 1989 and today was discussed, as well as future development plans. The association's directors and members expressed moderate optimism over the national economy's recovery over the last few months.

FMLN Communique Rejects Armed Forces Stance

PA0107130090 (Clandestine) Radio Venceremos in Spanish to El Salvador 1214 GMT 1 Jul 90

[Communique issued by the Farabundo Marti National Liberation Front, FMLN, on 26 June]

[Text] Regarding the statements made by the Armed Forces, the government, and Arena [Nationalist Republican Alliance] that are supposed to be in favor of peace and contrary to its war practices, we wish to state the following:

1. A recent report by Amnesty International points out that the people continue to be murdered, tortured, and reported missing on a daily basis in our country. The report adds that the Alfredo Cristiani government does nothing to prevent these crimes and fails to punish the criminals.

2. The strong operation launched by the Armed Forces in northern El Salvador, accompanied by bombings, landings by airborne troops, artillery, and the deployment of infantry troops are mainly directly against the civilian population. We reiterate that it is not with statements that the war will end, but rather with actions that show a true willingness for peace and put an end to violations of human rights and punish the military criminals.

[Signed] The FMLN, 26 June 1990

FMLN Denies Participation in Attack

PA3006012890 Panama City ACAN in Spanish 2332 GMT 29 Jun 90

[Text] San Salvador, 29 Jun (ACAN - EFE)—The Salvadoran guerrillas today denied any responsibility in the attack against Ricardo Alvarenga, president of the parliament. The guerrillas accused Alvarenga of being part of a plan to raise obstacles to the peace negotiations with the government.

"We firmly reject the false and ill-intentioned charges by the Legislative Assembly president, who immediately accused the FMLN (Farabundo Marti National Liberation Front) of the attack against him," a rebel communique released here today says.

Ricardo Alvarez was not injured in the attack against him on 28 June. Alvarenga accused the FMLN and leftist political leader Mario Aguinada Carranza of being responsible for the attack. The FMLN reiterated its "total and relentless support to seek, through negotiations, the path toward a demilitarized, democratic, just, and sovereign society."

The FMLN warned that there is "a plan to raise obstacles to the progress of the negotiations between the Salvadoran Government and guerrillas, which threaten the death squads and their leaders."

Hours after Salvadoran President Alfredo Cristiani had recognized that there had been progress in the round of talks held with the FMLN from 18 to 25 June in Mexico, the attack was staged against Alvarenga and there was an upsurge of armed actions and sabotage of the electricity system.

According to the FMLN "there are groups that do not want to renounce the benefits they have derived from their policy of terror, crime, and war."

Government Held Responsible for Continued War

PA0207025190 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 2 Jul 90

[Station commentary: "War or Peace: The Government Has the Floor"]

[Text] During his latest appearance before the press, Alfredo Cristiani has said that he regrets that the Farabundo Marti National Liberation [FMLN] continues to show a warmongering attitude. Similar statements have been made by some military officers.

We think these statements are cynical and hypocritical because the government and the Armed Forces are bent not only on continuing the war but also on the repression against the opposition. Deceitfully claiming that they are fulfilling a constitutional mission, the Armed Forces have at no time reduced their constant offensives against our rural fronts or their campaigns of intimidation and repression against democratic people's organizations. On the contrary, during the last few weeks there has been an increase in violations of human rights as a result of the government's repression, a fact that is reflected in the latest report issued by Amnesty International.

The FMLN cannot and must not reduce its military activities unilaterally because this would mean giving the military the illusion that they can defeat our forces and this would work against the negotiating process. If, on the contrary, the Armed Forces stop their hostility against the civilian population and their offensives, and if the U.S. Government stops financing the Armed Forces, the FMLN will have no objection to stopping its offensive operations. However, nothing of the sort has happened and therefore the war continues.

The Cristiani administration and the Armed Forces will be mainly responsible for any increase in the intensity of our military actions. For our part, we have demonstrated our desire for peace. We have eased our positions to a maximum and have suspended important aspects of our military activities. Unfortunately, we have not found the

same will in the government. Instead, we have noticed a hypocritical attitude because the government and Armed Forces are accusing us of being warmongers while they are intensifying their offensives and stepping up the repression.

We can assert that we are firmly determined to continue pushing for negotiations. Hwwever, we want to make it clear also that we will not suspend our actions unilaterally. Whether or not the war will increase depends on the behavior of the government and the Armed Forces at the negotiating table and on the battlefield.

Salvadoran Ambassador Denies Honduran Incident

PA3006171190 San Salvador Canal Doce Television in Spanish 0300 GMT 29 Jun 90

[Text] Salvadoran Ambassador to Honduras Salvador Trigueros Hidalgo described as false the report of a military incident between Honduras and El Salvador in the Gulf of Fonseca. The diplomat emphasized that it is completely false that an incident took place on 26 June between Salvadoran and Honduran coast guard vessels. Trigueros said that Salvadoran naval units in the Gulf of Fonseca have precise instructions to avoid any type of incident or confrontation with Honduran military vessels. Our policy is of total respect for Honduran sovereignty and territorial integrity, the diplomat stressed.

Navy Commander Denies Incident With Honduras

PA0107145190 San Salvador EL DIARIO DE HOY in Spanish 30 Jun 90 p 4

[Text] The Salvadoran Navy has denied that armed incidents took place between Salvadoran and Honduran naval personnel in the Gulf of Fonseca.

Salvadoran Navy Commander Captain Fernando Menjivar told EL DIARIO DE HOY that the Navy has "precise orders" from President Alfredo Cristiani and the Armed Forces High Command not to respond to any type of provocation.

Reports from Honduras refer to alleged incidents early in the week in the Gulf of Fonseca, which is shared by Honduras, Nicaragua, and El Salvador. A news agency report from Tegucigalpa stated: "Voz de Honduras reported that Honduras mobilized supersonic aircraft to turn back Salvadoran vessels that entered Honduras' territorial waters in pursuit of Honduran vessels in the disputed Gulf of Fonseca."

The news agency report added that according to the station, "the incident occurred on the afternoon of 26 June. The Salvadoran personnel opened fire as they pursued the vessels inside Honduras' territorial waters. However, there were no reports of casualties."

"This is completely false," Capt. Menjivar said. Menjivar visited Meanguera Island, located on the Gulf of Fonseca, on 26 June with a local television news team.

The same news agency report cited remarks by Salvador Trigueros, Salvadoran ambassador to Honduras, who confirmed that the Salvadoran naval vessels had orders to avoid any type of incident with the Hondurans.

According to the Navy commander, the border dispute between Honduras and El Salvador is being resolved at the International Court of Justice in The Hague.

The officer added that Salvadoran personnel patrol the area that corresponds to El Salvador because it is a logistics route usually used by the FMLN [Farabundo Marti National Liberation Front]. He said that the Honduran Navy has cooperated with El Salvador in the patrols, each Navy in its waters, to prevent contraband.

The military official said that far from there being incidents, there have always been excellent relations between the naval forces of the two countries. He mentioned the sports activities at the Amapala military base, where they treat each other as Central American brothers.

Meanwhile, after swearing in Jorge Velado and Mynor Gil as new ambassadors to Nicaragua and Japan on 29 June, Foreign Minister Jose Manuel Pacas also denied the Honduran reports.

Armed Forces: Talks With Rebels 'Satisfactory'

PA2906195090 San Salvador EL MUNDO in Spanish 27 Jun 90 p 2

[Press Bulletin No. 177 issued by the Ministry of Defense and Public Security on 26 June]

[Text] "Position of the Armed Forces on the peace talks that closed in Oaxtepec, Mexico.

"The Salvadoran Armed Forces believe, based on what was feasible to expect, that the results of the peace talks, which just closed in Oaxtepec, Mexico, are satisfactory, and express their full support to the efforts of the government commission that participated in those talks with FMLN [Farabundo Marti National Liberation Front] leaders.

"The statements of UN representative Dr. Alvaro de Soto, who properly and impartially fulfilled the delicate tasks entrusted to him, were also satisfactory.

"Dr. Soto maintained an impartial position even when there were attempts to sidetrack him from the main issues that were being discussed at the negotiation table. In his statements, the personal representative of the UN secretary general firmly stayed within the bounds of the points that were being discussed.

"The Armed Forces believe that the issues addressed at the Oaxtepec meeting and its results are in keeping with the expectations that the dialogue had created regarding the peace-seeking efforts. The Salvadoran people have

always fervently hoped that such efforts could materialize, and the Armed Forces reflect such a hope by trying to achieve that objective.

"In statements to the press, the Armed Forces also echoed the statements of Colonel Mauricio Ernesto Vargas, member of the government dialogue commission, who represented our armed institution at the talks..

"When he was questioned by Oaxtepec reporters, Col. Vargas, who is commander of the Third Infantry Brigade headquartered in San Miguel, eloquently commented at the negotiating table on the Salvadoran position.

"Col. Vargas pointed out that political will, tolerance, understanding, and mutual respect are basic foundations for the success of the peace talks. He insisted that the achievement of peace involves a process, not a single act. The Salvadoran Army representative said that disagreeing with a position of the other party does not imply that no progress will be achieved.

"Col. Vargas clearly reflected the pacifist inclination of the Armed Forces when he categorically stated that anyone who wants to impose his will should do so at the negotiating table, but it should the force of reason, not brute force. The Salvadoran Army representative said that a process is under way at the negotiating table.

"The Armed Forces also believe that although no specific peace agreements, which the armed institution and the Salvadoran people want, were reached, significant steps were taken, because the negotiations that just closed achieved some progress.

"Finally, the Armed Forces urge rebel groups to assume a patriotic stand and to stop taking inilateral actions that only run counter to the peace wishes of the Salvadoran people.

"Salvadorans are clamoring for peace in our country. They want to be able to live and work in calm after more than a decade of fruitless warmongering actions. The Armed Forces have conscientiously reflected the Salvadoran people's wishes and are making efforts to ensure that the much wanted peace will be achieved as soon as possible. [quotation marks as published]

San Salvador, 26 June 1990

Army Patrolling Country To Detect Arms Shipments

PA2906194890 San Salvador LA PRENSA GRAFICA in Spanish 28 Jun 90 p 36

[Text] Military forces are intensively patrolling the land, sea, and air to counter the flow of weapons from Cuba via Nicaragua.

Checkpoints have been installed on all roads to inspect vehicles, passengers, and pedestrians; to check for proper documentation; and to make sure that there are no arms shipments.

Army troops are not only patrolling the areas with the most fighting, but the entire national territory as well.

Military spokesmen have clarified that the Armed Forces are not conducting an offensive, but complying with their constitutional duties. These duties include safeguarding the lives and national sovereignty of the citizens.

The patrolling is being carried out by infantry troops and involves air surveillance, setting up strategic checkpoints, and more.

Sea patrolling—especially in the Fonseca Gulf, Barra de Santiago, El Tamarindo, Estero de Jaltepeque, and elsewhere—is being carried out by patrol boats, Pirhana boats, helicopters, and planes.

Citizens throughout the country are being encouraged to report any suspicious movements by the terrorist FMLN groups—whose leaders are threatening to carry out more attacks—which harm the civilian population most of all.

Guatemala

Cerezo Rejects U.S. Group's Criticism of Army

PA2906202290 Panama City ACAN in Spanish 2217 GMT 27 Jun 90

[Text] Guatemala City, 27 Jun (ACAN-EFE)—Guatemalan President Vinicio Cerezo today described as "unfair and incorrect" the criticisms made by the Council on Hemispheric Affairs (COHA), which has accused the Army of being the main human rights violator in this country.

The COHA—an organization that defends human rights and democracy in the Western Hemisphere—said yesterday in Washington that the Guatemalan Army is "a powerful and untouchable institution" and that Cerezo is only a "figurehead with no power."

In a statement for ACAN-EFE, Cerezo said that the "radical left or liberals, as they are called in the United States," have always maintained that the armies and not the civilian governments rule in these countries. The Guatemalan president believes that with their criticisms, those organizations are "trying to discredit the democratic processes."

Nevertheless, Cerezo said that the attitude of these groups is "understandable," but "I believe they are being unfair to the historic process which has taken place in Guatemala in the past few years. I believe that the criticism is unfair and incorrect," Cerezo said, adding that there is proof that the government's decision to enforce the law within the Army has been accepted and put into practice. The president stressed that the organization's criticism is "unfair" for democracy and the military institution because the Army has accepted the opening of political opportunities to consolidate the democratic process in Guatemala.

Cerezo stated that "the president and the government exercise the authority granted to them by the Constitution," adding that these organizations which live in the past "do not want to accept our changes."

Parties Make Rios Montt Presidential Candidate

PA0107171890 Panama City ACAN in Spanish 1547 GMT 1 Jul 90

[Text] Guatemala City, 1 Jul (ACAN-EFE)—Four Guatemalan rightist parties today proclaimed General Efrain Rios Montt their presidential candidate, although he has a constitutional impediment because he headed a de facto government.

The four parties supporting him are the Guatemalan Republican Front (FRG), the Democratic Institutional Party (PID), the Natinal Cooperation Democratic Party (PDCN), and the National Unity Front (FUN). They also proclaimed businessman Harris Howell Whitbeck the vice presidential candidate.

Following his proclamation, Gen. Rios Montt said that Guatemala faces "very serious problems," but that "the most serious and complex" is the economic problem.

"Another problem is the loss of moral values that has completely destroyed the essence of the family, which has altered the social concept," he stressed.

According to fundamentalist Rios Montt, a former leader of The Church of the Word, his government would confront the crisis based on three objectives: "Molding a citizen who will comply with his duties, a man who will demand his rights, a prosperous Guatemalan."

Guatemala's three "main enemies are sickness, hunger, and ignorance," Rios Montt said.

Regarding his running mate, Rios Montt said that "he is a successful businessman, a prosperous man who would not use a government position to become involved in dirty businesses because he has no need to steal."

Gen. Rios Montt, who ruled Guatemala for 16 months between 1982 and 1983 following a bloody military coup, is currently ranked second in the opinion polls, with 16 percent of the voters' preference, running close to Conservative leader Jorge Carpio Nicolle.

According to his political detractors, Rios Montt cannot run for president because Article 186 of the Constitution states that "the leader or promoters of a military coup" cannot be presidential candidates.

URNG Suggests Disarming Civilian Groups

PA3006171490 Guatemala City PRENSA LIBRE in Spanish 28 Jun 90 p 2

[Text] Armed Forces spokesman Colonel Luis Arturo Isaacs Rodriguez yesterday said that the commanders of the Guatemalan National Revolutionary Unity (URNG) suggested to the government the disarmament of the Civilian Self-Defense Patrols (PAC); however, those groups organized voluntarily and cannot be forced to break up their self-defense plans.

Col. Isaacs Rodriguez, who was interviewed at a reception in honor of 12 officers who are retiring, stressed that the rebel groups must abide by the Esquipulas II agreements. He added that when we speak of disarmament, we are not referring to institutionalized armies, but to clandestine groups that disrupt the area's peacemaking process.

Col. Isaacs Rodriguez said that, in the case of Guatemala, the URNG commanders suggested that PAC be disbanded, but those groups are comprised of peasants who have joined by their efforts to fight back the frequent armed attacks that take place in isolated areas of the country.

Isaacs Rodriguez added that at the request of PAC members, the Army has supplied them with weapons. PAC members have also received training in the use of those weapons. However, the groups organized voluntarily; they were not pressured to organize, the colonel said.

Regarding the Army, Col. Isaacs Rodriguez concluded by stating that legally, it should have 90,000 active duty members, but currently there are not that many.

Government Official on U.S. Travel Advisory

PA2906201690 Guatemala City Teleonce Television in Spanish 0400 GMT 27 Jun 90

[Text] Representatives of several sectors on 26 June commented on the U.S. Department of State's decision to issue a travel advisory, or a warning for travelers, again because the department thinks that certain Guatemalan areas and zones are still dangerous. Guatemalan Deputy Government Minister Carlos Morales Villatoro again defended the government's explanation that the escalation of violence in the country is due to the fact that elections are drawing near. He said he would rather have the Foreign Ministry give any additional information.

[Begin Morales recording] The U.S. State Department will decide when to enforce this measure and what type of tourist and security controls it will include. All we have to say is that the advisories are mostly for tourists and for the Foreign Ministry to deal with. We have not yet received specific information on this matter, however. As I said before, there has been much political bickering. We have been talking for several months [words indistinct]. There has indeed been violence in the capital, particularly because we were busy at the recent summit in Antigua. In addition, there has been plenty of versions on the events. We told you before that we could compare the reporters' versions with those from hospitals, firemen, and the police any time. We can also compare the various reports to one another to determine the frequency of violent actions during each month of

the year. Thus we can arrive at true, objective figures, from which you will be able to determine whether violence has truly increased to any great extent or whether there has been political manipulation. [end recording]

Honduras

Official Communique on U.S. Free Trade Proposal

PA2906175190 Tegucigalpa EL HERALDO in Spanish 29 Jun 90 p 3

["Official Press Communique" issued by the Press Secretariat of the Presidency of the Republic in Tegucigalpa on 27 June]

[Text] The government of the Republic of Honduras salutes with enthusiasm and solidarity the proposal announced this morning by U.S. President George Bush on promoting a new relationship with Latin America to create a hemispheric free trade zone, stimulate investments, and forgive a substantial part of the Latin American foreign debts to the United States.

This announcement was made by the U.S. President at his office in the presence of ambassadors from the continent and the president of the Inter-American Development Bank. The U.S. President baptized this program with the name of "initiative of the Americas," basing it on three pillars: commerce, investment, and reduction of the foreign debt.

The Honduran Government assumes that the concrete application of this announcement constitutes a prelude to new stages of progress for societies on the continent. It represents a perspective that is different from the crisis that our nations are currently experiencing.

The Honduran Government also expresses full solidarity with and support for this plan because the Honduran Government firmly believes that our countries' possibilities for progress must not be based on the traditional concepts of "assistance," which stimulate dependence, but on new concepts of bilateral and multilateral cooperation in a framework of relations to further strengthen fraternity among the nations of the world.

Tegucigalpa, 27 June 1990.

Press Secretariat of the Presidency of the Republic.

Callejas Discusses Economic Conditions

PA2906184090 San Pedro Sula LA PRENSA in Spanish 28 Jun 90 p 4

[Text] Tegucigalpa—In President Callejas' opinion, many of the strikes in Honduras are staged by force of habit, because many labor leaders think that strikes are the only way to make other sectors listen to their demands.

During a televised program the night of 26 June, President Callejas said that "in Honduras strikes have to become an instrument to defend the workers' interests. Strikes should not be used to simply raise a clamor against the privatization process as Sitramedhys [Trade Union of Medical, Hospital, and Related Workers] is doing." Callejas said that Sitramedhys is protesting the privatization of services that have been historically privatized.

Callejas said that a dialogue could have prevented the strike and agreed that labor unions are basic institutions within a democratic society. Callejas stated: "Workers have a right to organize and to demand the improvement of their working conditions. There is no persecution and there is no desire to destroy anyone."

Callejas said that staging strikes "is a habit resulting from 20 years of illegal behavior."

Callejas has stated that the Sitraterco [Trade Union of Tela Railroad Company Workers] workers are conducting an untimely but fair strike, while Sitramedhys is staging a strike whose purpose is still unclear to me."

Callejas also talked about the bankruptcy of Conadi [National Corporation for Investment]. Callejas accused the Comptroller General's Office and the Directorate of Administrative Integrity of inefficiency, "because they have worked amid corruption and immorality without doing anything about it."

Callejas said: "I have told the Comptroller General's Office and the Directorate of Administrative Probity officials to defend the people's interests.

Callejas added: "It is not possible for people to say they are going to do something and then not do it."

Callejas admitted that his government's economic measures have forced the people to make sacrifices, but he asserted that the ones who should be blamed for this situation are "those who in the past made decisions that did not agree with the country's reality."

President Callejas stated: "The economic measures are consequences; their cause is excessive expenditure and consumption and the lack of investment and of a more dynamic economic program, which have hindered our growth.

Callejas promised: "But people can be sure that those measures are over, that there will not be any more major fiscal reforms or monetary actions of the scope we have adopted."

Callejas added: "We moved mountains, and there are only a few slopes that we still have to flatten. The people already experienced the most cruel, hard, and dramatic impact."

Callejas stressed: "Very few societies can bear this kind of sacrifice. We are still suffering from the syndrome and the impact of the law for structural reorganization of the

economy. Therefore, we reassert that there will not be any more of those economic measures."

According to Callejas, the government is now involved in promoting savings, which is the basis of investment. The government will prove its ability to negotiate with the international organizations.

Callejas warned that the fiscal deficit should not be drastically reduced so that available resources can be invested in production projects.

President Callejas said that there are $107 million that cannot be brought back into the country but that the government is pressuring exporters to bring that foreign exchange back.

Callejas asserted that in the same way that the the consumer protection law has mechanisms to demand the fulfillment of commitments. There are mechanisms to demand exporters to bring foreign exchange back into the country.

Callejas said: "We will not need to use sticks to make businessmen and exporters abide by their commitments. Some of them fulfill their commitments and they will be granted benefits, and those who fail to meet their obligations will be punished."

Callejas stated: " There is no other choice. As long as people refuse to meet their obligations and abide by the law, the government has to find mechanisms to force them to do so."

President Announces $247-Million Bridge Loan

PA2906200190 Panama City ACAN in Spanish 2328 GMT 28 Jun 90

[Text] Tegucigalpa, 28 Jun (ACAN-EFE)—Honduran President Rafael Callejas today reported that his government has obtained a $247-million bridge loan in order to pay what it owes in arrears and to be taken off the list of nations "not eligible" for future credits.

The bridge loan was financed by the United States with $122.3 million; Venezuela with $40 million; Mexico with $25 million; Japan with $47.6 million; and Honduras contributed $10.8 million from its own foreign exchange reserves.

Callejas said that this loan will enable Honduras to "pay its arrears with international loan institutions and to recover its financial prestige."

The president said: "Now we can once more become eligible and have access to fresh funds to promote development projects."

In mid-1989, when Honduras could not pay the interest on its foreign debt, it was placed on the "default" list of the World Bank, the IMF, and the Inter-American Development Bank [IDB].

Central Bank President Ricardo Maduro said that "once Honduras cancels the overdue payments, it will have access, over the next three years, to $500 million from the IDB, $250 million from the World Bank, as well as other big loans from financial institutions and friendly nations. Maduro stressed that this "bridge loan is historic and a sign of support for the current Honduran Government."

The search for the $247 million started in February, and in March, to facilitate the granting of these funds, the Honduran Government implemented an economic plan that included a currency devaluation, new taxes, and an increase in fuel prices.

Nicaragua

Reportage Follows Progression of Strike

Labor Leader on Plans

PA3006003790 Managua Radio Sandino in Spanish 1959 GMT 29 Jun 90

[Text] Julio Romero, national leader of the Sandinist Central Organization of Workers has told Radio Sandino that 9,600 workers have joined the national strike decreed in a 13-point proposal document presented to the Violeta Barrios government by the National Workers Front. Romero said that IMEP [Industrias Metalurgicas del Pueblo, S.A.], Emesa [Empresa Metal Mecanica, S.A.], Inflaxa [not further identified], and the foundry workers have joined the strike. Romero added that state offices will be paralyzed on 1 July until the government yields to the workers demands.

[Begin recording] [Romero] Workers and enterprises are joining the strike to demand compliance with the 13-point document presented to the Violeta Chamorro government. It is urgent that the government meets the demands. Moreover, the government has not even fulfilled agreements signed with the National Workers' Front on 16 May.

Today, workers at metallurgy enterprises such as IMEP, Emensa, the foundry, and Inflaxa have joined the strike. Also, at the San Antonio Sugar Mill [words indistinct], some construction workers at the foundry have joined the strike. In the Southern Atlantic Region, construction workers are also joining the national strike. We hope that by 2 July, a larger number of workers would have joined the strike. As of now, 9,600 workers are on strike. Comrades working at banks, at UNE [National Union of Teachers] [words indistinct] are getting ready to join the strike. Textile industry workers at [words indistinct] Texnicsa [Textilera de Nicaragua, S.A.] Cotexma [Complejo Textil de Managua, S.A.], Fanatex [Fabrica Nacional de Textiles, S.A.] and El Triunfo have joined the strike. A large number of companies selling contruction materials such as Proinco [Productos Industriales de Concreto, S.A..], Procon [Productos de Concreto Nicaragua, S.A.] and other construction enterprises are

also joining the strike; among them are [words indistinct]. This makes a total of 9,600 workers who have joined the strike since it began. On 2 July, we expect to have a nationwide strike.

[Reporter] Does this mean that by 2 July all state workers would have joined the strike?

[Romero] Yes, that is what we mean. The MED [Ministry of Education], Fetsalud [Health Workers Federation], and all members of the National Workers' Front are included. Moreover, peasant worker members of the ATC [Association of Agricultual Workers] who are also [words indistinct). This allows us to term the national strike as effective. Workers need to do this to make the Violeta de Chamorro government fulfill the agreements signed by the National Workers' Front, and the specific demands by workers in each sector of the economy. [end recording]

Health Workers To Join

PA3006033590 Managua Radio Sandino in Spanish 0009 GMT 30 Jun 90

[Text] As of 4 July, the Federation of Health Workers [Fetsalud] will join the nationwide strike promoted by the National Workers Front [FNT], Alberto Zepeira, of the Fetsalud leadership, has announced. He added the workers will begin staging staggered strikes, and if no response is given, they will increase their actions in a gradual manner.

Alberto Zepeira also said that 2,300 health workers feel their job stability is threatened, as the government has announced it will reduce bureacracy in the country.

[Begin recording] [Zepeira] We the workers realize that we are facing a very serious situation. We are not creating the conflicts, but rather, the government is responsible for the situation. The government is violating the agreements signed with the FNT. It is not complying with the promises it made to the workers. The government is also violating the laws, and it is doing whatever it sees fit. The government is not acting according to the laws ruling this country.

We feel that the demands raised by the workers are just and correct. We are directly affected by the violations of the agreements signed between the government and the FNT. Therefore, regardless of the specific problems we have with the Ministry of Public Health, we will support the actions of the FNT. In other words, we are joining this stage of the struggle. This means we will be joining the nationwide strike being organized to show this government that we will not allow ourselves to be blackmailed. We want answers to our just demands. Therefore, we are joining the struggle of all the workers.

[Reporter] When will you join the strike with the other workers?

[Zepeira] We are organizing all of our units to determine when we will join. By the middle of next week, all the health workers will go into action—that is, we will begin stopping services that are not essential for the people, but are nonetheless necessary for maintaining the system operating. If we do not receive specific answers to our problems, we will gradually increase the strike. To be more specific, our workers will begin a nationwide strike by 4 July, at the latest. [end recording]

Strikes Termed Political

PA3006040590 Managua LA PRENSA in Spanish 28 Jun 90 p 12

[Report by Celso Canelo]

[Text] "No strike can be legal right now since the conditions established by the law have not been fulfilled. All these strikes are strictly political. If they want to exercise their right to declare a strike, they must exercise it within a legal framework," Labor Minister Francisco Rosales said today when referring to the announcement made by leaders of the National Workers' Front, who said that they would paralyze the country's activities.

The minister added that the government is not against exercising the right to declare a strike. "The Sandinist National Liberation Front never allowed an independent workers' strike, but we know the risks of a democracy," Rosales commented.

Likewise, the official reported that the textile industry workers who have joined the strike are well armed, so the police have been instructed to "confiscate the workers' weapons because this represents a danger for other workers in the factories."

The minister explained that a strike occurs in a country to restore the balance between production factors. "However, in this case the claimants are demanding a number of economic measures that have already been established by the government to benefit all the social groups."

The labor minister was asked if it was true that the ministry had violated the 6 May agreements and he said no, because "the salary increases are being negotiated according to the devaluations, and dismissals have been carried out as a result of a reorganization within all the state-owned enterprises, rather than for political reasons."

Furthermore, Rosales said that the announcement of a new general strike is a political maneuver sponsored by Sandinist leaders. "If there is a strike and if the people are urged to rebel, like Mr. Borge has done, this would provoke social chaos, and we will not allow that," the minister stated.

Rosales also warned the people and the public opinion that the appeal to declare a strike is a strictly political matter, "and it is being sponsored by the National Workers' Front, which is led by the same Sandinists who have tried to create instability for the democratic government."

"Even though all the pro-Sandinist media have tried to use its propaganda to encourage the workers to declare a strike, it has failed because all the state-owned enterprises, industrial groups, and construction groups are working normally," said Rolando Velasquez, labor leader of the General Confederation of Labor (CGT).

"I assure you that the Sandinists will fail if they try to sponsor another strike because no one supports them," said construction worker Sebastian Lopez.

The only enterprises that are currently paralyzed are: Fanatex [National Textile Factory, Inc.], which has 980 workers; Texnicsa [Nicaraguan Textile Company, Inc.] which has 1,300 workers and which is facing problems because of a lack of material anyway; El Triunfo, which has 150 workers; and Cecalsa [expansion unknown], which has 240 workers, in Masaya.

FNT Criticizes 'War' Against Labor

PA3006044490 Managua BARRICADA in Spanish 29 Jun 90 pp 1, 5

[Text] On 28 June the number of workers who have joined the escalated general strike rose to 6,200, while reports issued on 29 June state that 50 percent of the sugar industry labor unions and chemical workers will join the strike.

Meanwhile, employees at the Ministries of Foreign Relations, Foreign Cooperation, Construction and Transportation, and Finance have decided to join the strike on 2 July in solidarity with the textile and construction workers, who are demanding financial aid and job stability.

Concurrent with the progressive strike, health workers of Fetsalud in Region 3 marched to the Presidency House on the afternoon of 28 June to give President Violeta Barrios Chamorro a list of petitions in which they demanded that she respond immediately to two urgent demands:

1. Medical supplies and medical equipment to combat the considerable increase in infant and general population mortality; and

2. Fulfillment of the Minsa-Fetsalud [Health Ministry-Fetsalud] agreement.

Meanwhile, the National Workers Front (FNT) has described the communique and remarks of Labor Minister Francisco Rosales and Deputy Labor Minister Antonio Ibarra Rojas, as an official declaration of war against the revolutionary labor movement. Rosales and Ibarra have disregarded the labor unions' participation in the discussion of the economic plans.

The text of No. 3 of the 27 June communique issued by the deputy labor minister states that: "The Labor Ministry repudiates the rights that the labor unions affiliated with the FNT are claiming with regard to negotiating or deciding the government's state and private economic and investment policies."

Lucio Jimenez, secretary general of the FNT said, meanwhile, that with the stroke of a pen the Labor Ministry resolution erases and disavows the agreements signed on 6 May, which established the beginning of the negotiations to reactivate national industry.

Jimenez said that the government's unilateral decision to suspend the meeting scheduled for 26 June, when the reactivation of industry was to be discussed, was a preconceived effort to break off the negotiations with the FNT.

Jimenez said that the government broke off the negotiations in order to set its unpopular economic plan in motion. The plan calls for the dismissal of over 15,000 government and production company employees.

Who can trust the labor minister's demagogic policies when he promised that there would be no more dismissals, and yet the ministry has dismissed over 2,000 workers, the somewhat angered secretary general of the FNT asked.

Jimenez announced that only 39 government employees had been fired as a result of the strike in May, but despite the pledge made by Francisco Rosales, to date 420 government employees have been dismissed.

Some of these 420 employees, most of whom were dismissed from regional branches of the Presidency, have occupied the Pedro Joaquin Chamorro square to demand their reinstatement or indemnification, as stated in the Civil Service Law.

BARRICADA has attempted to speak with the labor minister about the tone of his remarks, but his secretary said that both the minister and deputy minister were at a cabinet meeting.

A source close to the president of the Central Bank said that "they must surely be discussing the reduction in force of the 12,000 employees because Francisco Mayorga says that if the state bureaucracy is not reduced his gold cordoba will not work."

Rumor Says Police May Strike

PA3006140790 Managua Radio Sandino in Spanish 1210 GMT 30 Jun 90

[Text] A widespread rumor went around the various police units that they may remain in their garrisons on 2 July to protest a budget cutback and to demand salary increases. Government Minister Carlos Hurtado announced yesterday that the Presidency approved a police salary hike, although he did not say when it would take effect. Nonetheless, the protests have continued and the people have shown their solidarity, because they recognize the fairness of the police demand.

A working policeman's monthly salary is only 10 million cordobas. The budget cutback also makes it impossible for their uniforms and boots to be replaced, which Government Ministry authorities have admitted.

Labor Confirms Strike on 2 July

PA0107180290 Hamburg DPA in Spanish 1627 GMT 1 Jul 90

[Text] Managua, 1 July (DPA)—Beginning 2 July, the government of Violeta Chamorro will face a second nationwide strike of government workers that will include 36,000 teachers and 23,000 health workers, leaders of the National Workers' Front (FNT), who are negotiating the salary demands of public workers, confirmed today.

FNT leader Jose Angel Bermudez has also said that the new strike will be initiated because the public workers know the meaning of facing "the government's threats of dismissing hundreds of workers."

The government, through the Labor Ministry, has reported that it wants to negotiate separately with each labor union, but the FNT's leader said that they reject this working procedure "because this implies our division."

"The strike will be carried until the end, regardless of the threats by Labor Minister Francisco Rosales, who threatened to use the Public Force (Police) or the Army against the workers," said Bermudez in statements to the local media.

The first large strike staged by approximately 70,000 public workers against the Chamorro Government took place between 10 and 16 May. On that occasion, the FNT obtained salary adjustments in the negotiations, which at this point have become insignificant following the devaluations implemented every three days by the Central Bank of Nicaragua.

General Strike Continues

PA0207132590 Managua Radio Sandino in Spanish 1206 GMT 2 Jul 90

[Italicized passages are recorded]

[Text] Leaders of the National Workers' Front, FNT, have announced that 45,000 workers around the country will go on strike today to protest the government's economic policy that attacks the nation's stability and causes uncertainty among the people. The FNT leaders also said that the strike was called to demand that the People's Ownership Sector's [APP] enterprises not be reprivatized and to demand immediate wage increases. The government leaves us no other alternative, FNT leader Lucio Jimenez said. He added that no worker feels secure in his job in light of the threats of mass firings and closure of government enterprises. As of today, 10,000 construction workers, 8,000 government employees, 6,000 sugar mill workers, 3,900 textile workers, 3,900 metal trades workers, and 1,000 construction material factory workers are on strike. Also, 537 employees of the mayor's office, 700 lumber company workers, and 10,000 agricultural workers, will also join the strike. FNT leader Lucio Jimenez said:

[Jimenez] *We expect that as the week progresses, more workers will join the strike. We are planning to issue a daily report on how the struggle is going. The important thing is that we are doing all we can to find a solution to this serious problem we are facing. The government is implementing a destabilizing economic policy—it is destabilizing the country's economy and the worker's economy. We are going to demand that these asphyxiating policies be discussed with the workers.*

At 1000 today the FNT leaders will go to the Government House to demand that the president discuss the government's economic policy with the workers. Under no circumstances will we accept the reprivatization of the APP, Lucio Jimenez warned.

[Jimenez] *[Words indistinct] we are trying to avoid the reprivatization of state enterprises. [Words indistinct] they will then continue with the country's urban enterprises [words indistinct]. We reject this because it means the destruction of something we achieved.*

More than 10,000 cotton sector workers will begin a general strike today to demand that the government abolish decrees 1090 and 1190 that represent the reprivatization of the APP. Throughout the past week, 8,000 rice and cattle sector workers joined the strike. This was announced by Edgardo Garcia, national leader of the Farm Workers Association, ATC, and the FNT. The decision to go on strike is the result of consultations made with agricultural workers throughout the country and their union leaders after the government authority and large land owners refused to accept the workers positions regarding the APP. The government refuses to respect the workers objection to reprivatization and will only speak to them about labor matters. The government has only promised to protect the worker's rights given by the large land owners during the days of Somoza. The workers, legal owners of these lands, do not believe in these promises and are not willing to carry out a production plan under these conditions, Edgardo Garcia said:

[Garcia] *They are asking the government to abolish those decrees. As long as those decrees continue to serve as instruments to repress the workers, disband the enterprises, and condition the labor relations; as long as those decrees continue to be enforced, the workers will not carry out a production plan. In other words, we do not accept the reprivatization of the APP. That is the real issue. Therefore, the APP—the cotton sector in particular—declares itself on strike. We will join the FNT to demand that this government abolish those two decrees.*

Cosep President Praises Bush Proposal

PA3006230390 Managua LA PRENSA in Spanish 29 Jun 90 p 3

[Report by Julio Cesar Armas]

[Text] "I believe the plan announced by U.S. President George Bush is an important initiative for Nicaraguans to realize that we have not been wrong regarding privatization. Wealth can only be created through a free market and individual initiatives."

This is how Gilberto Cuadra, president of the Cosep [Higher Council of Private Enterprise] has responded to President Bush's plan to promote a free trade zone on the American Continent and to forgive part of the debts that all Latin American countries have with the United States.

Cuadra added: "His plan is to lift the burden represented by the huge debt and to promote privatization through the Inter-American Developement Bank. This is the plan of the developed countries and we hope it will prevail in Latin America."

"We must stop thinking that the state should intervene in all areas of the citizens' lives regarding production, because those types of ideas over the past 10 years have led Nicaragua to greater economic deterioration and huge social disaster, which is about to be corrected," Cuadra said.

As an example, Cuadra mentioned the USSR, where Mikhail Gorbachev has moved from a state-planned economy to a market economy as the only option for overcoming underdevelopment in the production of goods and services and to satisfy the great demands of the Soviet people.

Cuadra added that President Bush's plan should serve as a warning to the new government so that it expedites the process of returning unjustly confiscated property to its legitimate owners. He also said the government should speed up the process to privatize state enterprises to make them yield profits through which the country can create wealth.

However, Cuadra said that the government does not yet have the required structure to return agricultural, industrial, or residential property to its legitimate owners.

He emphasized: "The government is making timid efforts that are not very effective. To a certain extent, the government only has a head and is lacking arms to implement important decisions, either because the same people who worked for the previous government are still in office or because the government has hired them.

"Many guidelines have been issued by the new government. These guidelines, however, are not being obeyed by the employees who represent the past regime."

Commentary Questions Bush Free Trade Proposal

PA3006150790 Managua EL NUEVO DIARIO in Spanish 29 Jun 90 p 2

[Unattributed commentary: "The Same Wolf With the ..."]

[Text] Obviously U.S. President George Bush is a merry joker who enjoys black humor, sadistic jokes, and weird ideas.

Now he comes with a proposal for a free trade zone in Latin America to sell them our products—which would be very good for Latin America—and for them to sell us all we can buy from them.

President Bush likes this idea of free trade so much that he has even promised to condone part of the debt of billions of dollars we have with his government. Surely it is because his initiative in the long run will result in large profits that will end in the treasury of the Wall Street plutocrats.

Looking at it superficially, the idea seems to be utopian, because nothing can be better than liberty for all everywhere, particularly in these oppressed latitudes. However, we know that the old shark never gets tired and will continue to try to gobble up sardines, which is how it sees our republics.

The empire is trying, with renewed force, to impose on us a one-sided agreement—the wide part for the empire, and the narrow part for Latin America. To believe that conditions would be equal in that free trade zone would be deceitful, because how could our products compete in a market with U.S. products, which are the result of a superior technology and productivity?

Latin America is not in a condition to compete with such a powerful rival, with a colossus who is 200 years ahead of us.

Will we quietly accept the company of the ever-hungry wolf?

Contra Demobilization Completed Despite Crash

PA3006032490 Panama City ACAN in Spanish 0105 GMT 30 Jun 90

[Text] Managua, 29 Jun (ACAN-EFE)—Sources from the UN Observer Group in Central America (ONUCA) have announced that the disarmament of the Nicaraguan contras was finally completed today, following the problems associated with the helicopter crash on 27 June. A total of 19 persons, including 13 journalists, were injured in this accident, the ONUCA sources added.

The final ONUCA report sent to UN Secretary General Javier Perez de Cuellar says that 19,369 members of the Nicaraguan Resistance have been disarmed and demobilized since last 8 May, the sources told ACAN-EFE.

On 27 June, the last contras to disarm included the members of the general staff of the rebel organization who turned their weapons in to Nicaraguan President Violeta Chamorro in San Pedro de Lovago, in the center of Nicaragua, 160 km from Managua.

The accident with the Sandinist Air force helicopters forced the ONUCA group to use their planes to evacuate the wounded.

As the total demobilization of the anti-Sandinist rebels was completed today, the five security zones where the contras had gathered to disarm before the UN Blue Helmets were closed also.

The demobilization coincided with the deadline given by the UN Security Council for the disarmament.

ONUCA sources in Managua added that the members of the Venezuelan Battalion that had stayed in Nicaragua during the disarmament of the anti-Sandinist rebels would return home soon.

Alfredo Cesar Discusses His Role in Government

PA0107021090 Managua LA PRENSA in Spanish 25 Jun 90 p 2

[Report by Ana Maria Ruiz]

[Text] On 23 June, Alfredo Cesar cleared up some of the strongest doubts regarding his contributions within Violeta Chamorro's government. Cesar said that in his opinion, the current administration will lead the country in gradual changes, not "sudden, radical ones."

Cesar said that the 1979 revolution was inspired by the desires of all worthy Nicaraguans and now the revolution has been truly delivered. Cesar made those statements while answering questions over the telephone during journalist Francisco Talavera's program on Radio Istmo.

Although he honestly said that he stopped being Mrs. Violeta Chamorro's adviser "from the moment I became deputy," Cesar explained some of the main policies of the government, whose guidelines he helped develop.

Cesar stressed the fact that in such a brief period of time, "the government had accomplished one of its most difficult missions: the contra disarmament and the gradual reduction of the Army." Cesar added: "We tend to very easily forget the difficult missions once we accomplish them."

In answer to the question why Mrs. Violeta Chamorro does not appoint either Vice President Virgilio Godoy, National Assembly President Miriam Arguello, or himself, Alfredo Cesar, as the Nicaraguan acting president when she goes abroad, Cesar responded: "The fact that she does not do that does not violate any constitutional statute."

Cesar said that because of modern communications, a trip abroad can no longer be considered as a "temporary absence," which is what the constitution marks as the moment when the country's president should delegate functions to his of her subordinates.

Cesar said: "Not even the presidents of the Soviet Union and the United States do that," recalling that these are the presidents of the atomic world powers and that they are capable of starting a world nuclear war.

While commenting on the differences between President Chamorro and Vice President Virgilio Godoy, Cesar said President Chamorro does not feel that she is moving away from Godoy. Cesar stated that the vice president's job should be harmonious with and subordinate to that of the president. Alfredo Cesar criticized the theory of some politicians who say that Godoy "was elected to be a substitute.

According to Cesar, the way in which Vice President Godoy has even used the media to voice his disagreements with President Chamorro is in some cases not ethical and rather confrontational.

Cesar said: "Let me give you an example. I am the secretary of the National Assembly, which is the second most important post in our parliament. Many times I disagree with the assembly president, but I do not criticize her in public because my post demands loyalty above all."

In addition, Cesar stated: "It is very different to have disagreements within a party than within the country's presidency."

Cesar also responded to statements that because of his "friendship" with Humberto Ortega he would have violated his commitment to the UNO [National Opposition Union] faction in the National Assembly on the day when the Assembly directorate was elected, and that he along with Presidency Minister Antonio Lacayo have been leading a parallel government to that of Violeta Chamorro's.

Alfredo Cesar said that in his opinion, history provided a justification for the existence of the third faction [tercerismo] (Sandinist Front faction to which the Ortega brothers belong) on the morning of 26 February 1990 when Daniel Ortega conceded to his electoral defeat.

According to Cesar, the Sandinist Front third faction joined Nicaraguans from all social statuses in an effort to introduce an absolute change in the human rights situation in Nicaragua, and he added: "When things happened the way they happened [in reference to what happened in 1979], we were never sure whether that effort was mere talk or whether it had been trampled over by the political situation."

Cesar added that he is no longer President Chamorro's main adviser. While clarifying his relationship with Pedro Joaquin Chamorro Barrios, Cesar said: "I worked with him and the other advisers in absolute harmony during the campaign. Later on I learned that he met privately with his mother about his appointment to some government post. I do not know what they talked about

and I respect this. Now, I only know that he is not holding any government post."

"People claim he is governing from below," radio listeners told Alfredo Cesar during the radio program and Cesar laughed and said: "Well, I only told you what I know."

As for the theory that the Sandinist Front third faction was really a social democratic faction that opposed the Marxist-Leninist faction within the Sandinist Front and that Cesar had always identified himself with the third faction because he, too, is a social democrat, Cesar said:

"Let us say that there is a social democratic faction within the Sandinist Front. I believe that faction must become the majority in order to guarantee the other part of the peace process in Nicaragua."

Cesar said that the myth of his friendship with Humberto Ortega has existed ever after the meeting in Sapoa, where—Cesar said—"we spoke seriously and not just to put on a show. The germ of peace was born there.... The war was halted for a while; it did not stop for good, but many lives were saved then."

Cesar justified his role in attaining the transition protocol, which—he said—is the only political commitment between the current government and the Sandinist government. Cesar said that he served as a "bridge" between the two groups. On the one side he had the new government and its representatives Antonio Lacayo, Carlos Hurtado, and Luis Sanchez. And on the other side he had General Humberto Ortega, Major Gen. Joaquin Cuadra, and commander Ricardo Wheelock.

Cesar stated that he served as a bridge between the two sides after a request from former President Jimmy Carter and observers Richardson [name as published] and Baena Soares.

As for the economic situation, Alfredo Cesar said that the Mayorga Plan includes the major economic guidelines studied and approved by UNO as the government plan, but it does not detail the day-to-day guidelines. For example, the plan does not detail the frequency of the devaluations. And the way the devaluations are being handled is an issue on which not all the UNO members agree.

As for the People's Ownership Sector (APP) and the state enterprises, Cesar said that he disagrees with extreme positions. In other words, he does not think everything should be in the hands of the state and he does not think everything should be privatized. Cesar thinks that decisions should be made based on what is and what is not profitable. Anything that is profitable should remain in the hands of the government.

Workers' Right to 'Self-Defense' Supported

PA3006192090 Managua EL NUEVO DIARIO in Spanish 29 Jun 90 p 2

[Editorial: "Unavoidable Politics"]

[Text] More than 20 centuries ago, one of mankind's wisest men, Aristotle, a truly encyclopedic genius, uttered a truth so profound that no one, except a foolish or wicked person, would dare deny: Man is essentialy a political being, because politics—in its struggle for liberty—is like air and water for life and progress.

Based on that statement by master Aristotle, centuries later it was discovered that the social being determines social awareness and that no one can be apolitical—even people who claim they are indifferent to politics deep inside are not—maybe not because of what they do, but because of what they do not do. Those indifferent to politics use professional politicians to impose their interests on society, true politics. [sentence as published]

In practice no one can be apolitical, just as that which is general cannot exist without that which is specific, or that which is infinite cannot exist without that which is finite.

But the donkey-like nature of the new rulers suddenly produces plenty of brays, because to demand that unions should not be involved in politics when they are pressing their demands—as did Deputy Labor Minister Ibarra Rojas—is like stamping on a thorn, like trying to break a truly unbreakable dialectic relationship between the phenomenon and the cause, between the economy and its condensed manifestation—politics.

Ibarra Rojas is thus trying to justify the outlawing of strikes now taking place, while failing to accept that if we have an asphyxiating and undemocratic economic policy against workers, they are right to react with a union policy of self-defense, which in turn falls within the general context of a country where a rightist policy is trying to find ways to strengthen the oligarchy.

Elementary, Mr. Deputy Minister, elementary!

Panama

Reportage on Shooting at U.S. Embassy

Embassy Fired Upon; No Injuries

PY2906234090 Buenos Aires DYN in Spanish 2240 GMT 29 Jun 90

[Text] Panama, 29 Jun (AFP)—Unidentified individuals today fired from a moving vehicle at the U.S. Embassy building and the Marine House here, the police have reported.

A U.S. diplomatic source who asked not to be identified said the attack—which occurred early this morning but was not reported until this afternoon—did not cause any

injuries. The source added that eight bullets from a nine-mm weapon hit the U.S. Embassy building and seven hit the Marine House, which is located five blocks from the embassy.

The police refrained from attributing the attack to any group but did not rule out the possibility of the M-20 subversive group being responsible. Four months ago the M-20 claimed an attack on a dance club in this capital that left a U.S. soldier dead and 15 wounded.

Further on Shots Fired

PA2906235890 Panama City Circuito RPC Television in Spanish 2328 GMT 29 Jun 90

[Text] In a swift, armed action, unidentified individuals along Balboa Avenue last night fired over 17 rounds at the U.S. Embassy and the Marine House in Panama.

These shots filmed by our reporters show in part the condition of the U.S. diplomatic office after the shooting. These views were filmed today and show the results of the shooting.

U.S. Embassy sources reported there were no casualties or major damage. The bullets were embedded in the walls of the U.S. Embassy and the Marine House—located in another place which we will see shortly.

It was reported that the Marines did not return the fire of the unidentified persons, who fled immediately. The attack was reported to the Panamanian authorities; it was announced that the two governments are studying the terrorist action.

What you now see now is the Marine House in Panama City, located in another sector. [Video shows Marine House] You can see the shots.

Preliminary investigations have disclosed that 9-mm weapons were used in the attack. As you may well remember, a U.S. noncommissioned officer, Anthony Ward, 21, was killed last 2 March during an attack against a bar on Via Veneto, near the old El Panama Hotel. Twenty persons, including some Panamanians, were injured in that attack. So far, the investigations have not determined who is responsible for the 2 March attack that was claimed by the so-called 20 December Movement. Investigations by the two governments have not solved this attack.

M-20 Movement Claims Attack

PA3006024990 Panama City ACAN in Spanish 0225 GMT 30 Jun 90

[Text] Panama City, 29 Jun (ACAN-EFE)—The self-styled "20 December Movement" (M-20), today claimed responsibility for the machine-gunning of the U.S. Embassy in Panama last night, in a telephone call to the ACAN-EFE offices.

An individual who claimed to be a spokesman for the "M-20" said that his organization is responsible for the machine-gunning of the U.S. Embassy and a U.S. "Marines" residence at 0100. Fifteen shots penetrated into the walls of the two structures.

The alleged "M-20" spokesman said that the action comes "in response to the execution of our martyr Angel Benitez," whom he identified as a member of the so-called "Dignity Battalions" who was killed during the U.S. invasion on 20 December 1989.

"The martyrs of the invasion will live eternally in the heart of our fatherland," said a spokesperson for "M-20," who appeared to be reading a communique from the organization.

The spokesperson added that "we are not followers of Noriega, but nationalists and revolutionaries," and denied that in a previous attack staged against a bar in Panama—in which a U.S. noncommissioned officer was killed—for which "M-20" also claimed credit, there was a shout of "long live Noriega" before the bomb was thrown at the bar.

The spokesperson stated that "M-20" will continue to "strike at the heart of the enemy," referring to the U.S. Southern Command which has 12,500 men stationed in U.S. military bases on the banks of the Panama Canal.

M-20 Issues Communique on Attack

PA0107203390 Panama City ACAN in Spanish 1952 GMT 1 Jul 90

[Text] Panama City, 1 Jul (ACAN-EFE)—In a communique sent today to the ACAN-EFE office, the 20 December Movement (M-20) claimed credit for the machine-gun attack on the U.S. Embassy in Panama City and the Marine House that took place on 29 June.

An alleged spokesman for the M-20 had claimed credit over the telephone on Friday, 29 June for the action, saying that the machine-gun attack was in memory of the "martyrs of the U.S. invasion" of Panama that took place on 20 December.

In a communique delivered today, the M-20 also claims credit for some alleged shooting against the Union Club, a center of the Panamanian aristocracy that is located in a residential area of Panama City.

However, the chief of security of the Union Club denied to ACAN-EFE that there had been any shooting against the building, and the neighbors who were consulted said they heard nothing.

A spokesman for the Government and Justice Ministry, Edmundo Dante Dolphy, has also denied that anyone had attacked the Union Club, according to the investigations made by the Panamanian Police.

The M-20 justifies the alleged shooting against the Union Club as an action "against the neocolonialist oligarchy."

The M-20 communique was left in ACAN-EFE'S mailbox, in a closed enveloped containing one typewritten page of paper and a 9-mm bullet "of the weapons we use," said the communique.

According to the M-20 communique, the machine-gun fire attack of the U.S. Embassy and Marine House, which was also hit by the fire, was aimed at "executing a simultaneous mission against multiple objectives."

According to its communique, the "M-20" was to "test the speed and reaction capacity of the U.S. Marines in the face of a simultaenous attack on the Embassy and the Marine House" and to "monitor the traffic of signals from the U.S. Southern Command and the Panamanian Public Force."

The U.S. Embassy confirmed the attack on the embassy and the Marine house and said that the first building was hit by eight projectiles and the second by seven, all 9-mm shells.

The embassy guards did not return the fire, according to U.S. diplomatic sources.

Dolphy said that the Panamanian authorities are investigating the attack on the embassy and the "Marine" house, but declined to give any more details "so as not to hinder them."

Ramon Lima, acting minister told a local newspaper that the "M-20" is made up of "persons who participated actively in the pscyhological war against the Panamanian people waged by the government of Mr. (Manuel Antonio) Noriega and the other military men who were accompanying him."

The "M-20" claimed credit for a previous attack on the "My Place" bar last 2 March, which killed a U.S. noncommissioned officer and wounded 20 other persons.

Endara Discusses Embassy Attack

PA3006153290 Panama City CRITICA LIBRE in Spanish 30 Jun 90 p 2

[Report by Florencio Galvez F.]

[Text] President Guillermo Endara Galimany yesterday evening criticized the vandalism carried out this past Thursday by Arts and Crafts School students. Local businesses were damaged as a result of these actions. There was looting, and Education Ministry employees, as well as common citizens, were robbed.

President Endara spoke to the local media at the end of a charity event called "Telebingo" that had been organized by the Office of the First Lady to obtain funds for the Juvenile Court.

The president, who was accompanied by the First Lady, Ana Mae Diaz de Endara, said he was surprised by what the students had done. He said that he had to watch what happened Thursday on television because when the incidents took place he was in the city of Colon holding important meetings with various sectors to hear their pressing demands.

This past Thursday, approximately 100 Arts and Crafts School students engaged in acts of violence, beat, and stole from journalists and looted local businesses.

Several students were arrested by the so-called Public Force which used the traditional shotguns to break up the student groups.

President Endara played down the importance of yesterday morning's attack on the U.S. Embassy by unidentified persons who shot at it several times from an automobile.

U.S. and Panamanian authorities are investigating this incident, which has produced tension among Panamanians, who are concerned about the increasing violence.

When asked about the attack, Endara said: "I am really assigning no importance [to the attack]. I think it was carried out by a person who is desperate because of what is happening and wants to return to the past."

Endara commented on the strong skepticism that exists regarding the Public Force by asking for understanding for its members.

Endara said: "That institution is now just being created. It is an institution of Panamanians."

Endara said he trusts that the Panamanian people will support this entity, will allow it to grow, and will believe in it.

The president cautioned: "Let us not adopt a negative attitude toward this institution, because if we do, it will fail. We have to be optimistic."

Official Says M-20 Formed by Noriega Followers

PA0107134090 Panama City LA PRENSA in Spanish 1 Jul 90 p 1A

[Report by Manuel Alvarez Cedeno]

[Text] Acting Government Minister Ramon Lima has stated that the alleged guerrilla group M-20 [20 December Movement] consists of Noriega followers who participated in the "psychological warfare that the former general waged against the Panamanian people. I believe that this group, which I call the MAN-20 (using the nickname for Manuel Antonio Noriega), is comprised of persons who actively participated in the psychological warfare waged against the people by the bad government of Mr. Noriega and the military who supported him," Lima said over the telephone.

Concerning the attack against the U.S. Embassy claimed by the alleged guerrilla government, Lima said that it is very easy to claim credit for an attack through an anonymous phone call. The high-ranking official feels that the numerous phone calls about bombs in schools

and government offices are also part of the psychological warfare being waged by groups "such as MAN-20 that wish to destabilize the government with hopes of returning to power based on a lack of respect for human rights and for the will of the people."

When asked if he would admit that the M-20 exists, he replied: "I recognize the existence of a group that remains anonymous while identifying itself in a certain manner."

The acting minister also said that the Metropolitan Police Station in Pueblo Nuevo had received an anonymous phone call saying that "Legislator Balbina de Perinan was involved" in the attack against the embassy, but this is not very easy to verify since she has parliamentary immunity, he added.

Lima said that he had noted that the spokesman for M-20 told an international news agency that the attack had been carried out "to vindicate a martyr of the paramilitary, yet the anonymous caller forgot that the person was himself a paramilitary, and that he was no martyr."

He cannot be a martyr, but rather "a criminal protected by the previous government who was able to use a weapon to commit attacks against the people and any other crime, without being punished," he concluded.

Radio Caller Threatens Upcoming Coup

PA0107150490

[Editorial Report] Panama City Radio KW Continente in Spanish at 1353 GMT on 1 July during its weekly call-in program "Dialogue with the People," received a call from an unidentified man who says he wants to comment on something he hopes Panamanians will take into consideration, because it concerns something that is coming up.

He says: "The issue of political opportunities has always brought and is bringing bad consequences for the country's development." He also agrees with an earlier caller who complained about nepotism in government being bad for the country's development.

Before hanging up, the caller warns: "The president and two vice presidents must understand something very well, and if they do not already know it, they had better wake up and smell the coffee. Because of the policy they are following, if they continue with the same vices of the former regime, between the 12th and 15th of the coming month (proximo mes) they will be dealt a coup. Watch out, gentlemen of the government, because the person telling you this is a civilista [member of the Civic Democratic Opposition Alliance]."

Reportage Views Reaction to Bush's Initiative

Vice President Ford Urges Study

PA0107132890 Panama City Radio KW Continente in Spanish 1236 GMT 1 Jul 90

[Text] Second Vice President Guillermo Ford has said that Panama should make a careful study of the Bush proposal, because a series of internal economic adjustments will be required to be able to take advantage of the package he has proposed. Ford added that the program deserves in-depth and very careful study.

The vice president has indicated that the plan is in keeping with the Panamanian economic program, which the Planning Ministry has implemented to prevent the distortions that have occurred in Panama's economy.

Referring to President Bush's proposal to write off $12 billion of the Latin American debt with the U.S. Government, as part of an effort to stimulate regional economies, Ford said that the proposal must be viewed with great care.

Ambassador Terms Plan 'Encouraging'

PA0107140690 Panama City Radio KW Continente in Spanish 1237 GMT 1 Jul 90

[Text] Eduardo Vallarino, Panamanian ambassador to Washington, has said that U.S. President George Bush's proposal is very good and encouraging, but that it will be up to each Latin American country to adopt the necessary measures to be able to form a free trade zone. The ambassador made the statement after President Bush proposed creating a free trade zone in the hemisphere and writing off $12 billion, part of the Latin American debt to the U.S. Government, to stimulate the region's economy.

Comptroller General Welcomes Proposal

PA3006004590 Panama City Circuito RPC Television in Spanish 2343 GMT 29 Jun 90

[Interview with Comptroller General Ruben Dario Carles by unidentified reporter in Panama City on 29 June—recorded]

[Text] [Carles] Different U.S. administrations have had some accurate initiatives to help friendly countries or regions throughout the years—the Marshall Plan, the Alliance for Progress, and the Caribbean Basin Initiative. Now President Bush has presented this proposal, which I consider very convenient and very accurate, and I hope that the countries in the continent will be able to organize themselves so that the initiative achieves the success we all expect and so that it does, in fact, benefit everyone.

[Reporter] How much can this benefit Panama?

[Carles] Enormously, like the rest of the countries, by increasing economic activities, boosting commercial

exchange by using financial aid and credits, and—in general terms—increasing the country's economic growth.

Column Supports Economic Plan

PA3006161990 Panama City LA PRENSA in Spanish 28 Jun 90 p 1

["As of Today" column]

[Text] During a speech of enormous importance for the hemisphere's economic future, the president of the United States announced his plan to promote free trade, establish mechanisms to reduce public debt with the United States, and assign resources for the creation of a new investment fund.

The decision to promote free trade on a continental scale contrasts with the traditional protectionist policy established by most of the countries and, obviously, will prompt hostile reactions. Each state, according to the particularities of its economy, must decide whether to continue to adhere to the former protectionist patterns or, at their own pace, eliminate the tariff barriers and other restrictions that hinder free access to their markets.

It is obvious that inefficient industries that are incapable of competing in price and quality will be unable to survive under free trade conditions, but truly competitive industries will have access to much broader markets than those that they have had up to now.

Another controversial issue will be the economic aid plan for "privatization," because the idea of nationalization, which has characterized most of the Latin American states, still prevails.

Sooner or later, however, most of the countries will gradually discover the vast horizons that the new policies will make accessible. In view of the EEC's reality, the time has come for Latin America to review its failed and isolationist economic policies and to replace them with models of cooperation and interdependence.

Therefore, President Bush's words should be interpreted as a timely invitation to all the countries on the continent to reevaluate their models and economic practices.

Endara Signs Pact Making Colon Emergency Zone

PA2906185690 Panama City Circuito RPC Television in Spanish 2300 GMT 28 Jun 90

[Italicized passages are recorded]

[Text] President Guillermo Endara and the Movement for the Recovery of Colon today signed an eight-point agreement declaring Colon an emergency zone and stating that the Executive Branch will give priority attention to the problems of that area.

The agreement calls for: the establishment of a top-level commission; the total reorganization of Colon's public administration, which is not truly carrying out its duty, according to representatives of the Movement for the Recovery of Colon; the establishment of a reviewing assembly to verify if Colon's public administration is complying with labor laws; the use of property seized in Colon for the benefit of that province; and other matters.

The meeting was held at the Colon Municipal Building and lasted until late in the afternoon.

[Endara, in progress] *...in general, is to pay attention to Colon and its problems. The fact is that Colon is a province that produces and deserves to keep a good share of what it produces. The unemployment rate here is high and must be taken into account.*

Provincial authorities were more optimistic on this occasion.

[Colon Mayor Alcibiades Gonzalez] *I honestly believe that these meetings will be maintained because we must keep each other informed so that we can help this province progress. We deserve better luck. We are just asking to be treated with dignity and respect.*

Reporters asked President Endara about the government slowness in solving the Panamanian people's problems.

[Endara] *The economic aid has been delayed for a number of reasons that have already been explained. However, I understand that the final document will be signed on Tuesday and then the money will begin to flow. I must also tell you that, to the surprise of many, Panama has greatly improved its economy without any aid. Those who cannot see this are blind.*

[Reporter] *Some feel that the Public Force must be purged.*

[Endara] *I think that the matter has been handled very well. Everyone wants greater security, but I believe that security has been sufficiently guaranteed. I feel that we are witnessing the beginning of a police force that will be very good and very professional. It has not reached that point yet because it needs more time to organize and more time for the people to trust and support it.*

[Reporter] *Some people believe that the constitutional amendments were drafted too hastily and practically overnight. What is your opinion?*

[Endara] *They were not drafted overnight. Yes, they apparently were drafted quickly. This is why I sent a message saying that the president of the republic was in no hurry for them. I think that the assembly will stop its debates, discuss them in due time, and study other amendments as well. I think that the truly important amendments are those concerning the public force because we need to have a solid constitutional basis for those amendments.*

Constitutional amendments are also needed to give autonomy to the Social Security Institute. This institute belongs to its members, and they deserve the best legal protection; the best legal protection is the constitution.

These are the essential amendments. Unfortunately, several proposals were approved in a hurry, and we do not want them. Constitutional matters require many opinions, and it is important for people to see that they are not hastily discussed. I hope the assembly will accept my suggestion to stop discussing these amendments. If necessary, they will be presented at another opportune moment.

Endara on Summit, International Aid

PA2906183590 Panama City Radio KW Continente in Spanish 1200 GMT 27 Jun 90

[Text] Referring to the recent Central American presidential summit, President Guillermo Endara said the true friends of the Panamanian people are in Central America.

[Begin recording] [Endara] Actually, if we analyze this matter and try to assess the benefits—as a businessman would do—perhaps there are yet no benefits. However, our true friends are there. Central Americans helped us when we needed support in our struggle for democracy. For example, Costa Rica never hesitated to help us—it always supported us. Central American brothers were the first to support us, and they never let us down. Our true brothers are in Central America; our best friends are there. If one looks at the Central American summit from a businessman's viewpoint, we have not gotten any benefits. However, from the political viewpoint, we need true friends, we need political brothers. Central Americans are our brothers.

[Reporter] What kind of measures is the executive branch taking to reconcile relations with Latin American countries that do not recognize the current government.

[Endara] Actually, all countries have recognized us. I believe that only Brazil is still dragging its feet, but that is no big problem, they always do that with regard to diplomatic matters. However, we are on good terms with all other countries.[end recording]

Endara also referred to Vice President Ricardo Arias Calderon's trip to Europe.

[Begin recording] [Endara] We have a plan to pay back our debts to international financial organizations. We are contributing $130 million, the United States [words indistinct]. We need to get $130 million from European and Asian countries. Then we hope to get a bridge loan that will allow us to pay our $540-million debt to international financial institutions. As soon as we do that, we will again be eligible for international credits. We can immediately start implementing our economic development plans as any normal country does, not like the country Noriega left. Then we can get loans and other international financing which have already been approved, which are in the pipeline [preceding word in English].

[Reporter] Since this trip aims to obtain economic and financial support, how come the vice president and planning minister did not travel?

[Endara] Because we are sharing the work. Vice President Guillermo Ford is traveling to Asia. Vice President Ricardo Arias Calderon is traveling to Europe. [end recording]

Former Officers Moved From Peruvian Embassy

PA0107021590 Panama City EL SIGLO in Spanish 30 Jun 90 p 14

[Report by Aneldo Arosemena]

[Text] Heraclides Sucre and Gonzalo "Chalo" Gonzalez, former Noriega regime officers, who took refuge at the Peruvian Embassy five months ago were transferred at 0500 yesterday morning from the Peruvian mission to an undisclosed location. The transfer was based on "security reasons," Dr. Julio Berrio, Panamanian Foreign Ministry legal adviser, has told EL SIGLO.

The official indicated that the former officers, accused of killing several officers that participated in the 3 October military uprising, were taken to a place leased by the Peruvian mission. "The Peruvians had to move them to another building for security reasons and that is what happened," Berrio noted. He added that there was no truth to the rumor that Sucre and Gonzalez had left the country or fled. The operation was conducted "for security reasons at 0500 in the morning by Peruvian diplomats and Panamanian Foreign Ministry officials. [no end quotes as published]

When asked about the legality of the move, Berrio replied that the Caracas Convention of 1954 on the right to asylum allows embassies to lease buildings to house people granted political asylum, should the need arise. "That operation is allowed by the guidelines on the right to asylum," Berrio remarked.

The Foreign Ministry official clearly stated that any building leased by representatives of a foreign mission for diplomatic purposes will receive guarantees. Moreover, EL SIGLO has learned that the former officers are hiding in a building located in the upper class Paitilla neighborhood. A source that declined to be identified told EL SIGLO that Sucre and Gonzalez are most likely at an apartment in the Marbella area.

Well-known lawyer Dr. Diogenes Arosemena, who is handling a private lawsuit against Heraclides Sucre for killing Major Moises Giroldi, leader of the 3 October coup attempt, has said that the Panamanian Government considers their actions common crimes, and therefore, they cannot be considered political refugees, since asylum can only be granted to political offenders.

A source with strong ties to the U.S. Southern Command has told EL SIGLO that certain intelligence levels have very solid clues that Gonzalez, former chief of the elite narcotics unit known as Machos de Monte, may be

leading an armed movement against the government. The firing at the U.S. Embassy and the Marines' residence early yesterday morning and the hasty decision to move the former offices out of the Peruvian Embassy seem to be unconnected events, but they do have points of concurrence, which El SIGLO investigators plan to uncover.

Former Officials Said Arrested in Costa Rica

PA0107004190 Panama City LA PRENSA in Spanish 29 Jun 90 p 1-A

[Report by Rigoberto Dumas Castillero]

[Text] A source that has requested anonymity has told LA PRENSA that former military men Lorenzo and Alberto Purcell, who had fled the country, have been arrested by Interpol in Costa Rica. They are expected to be turned over to Panama within the next few hours.

The arrest occurred after the Justice Department issued a warrant for them after their illegal departure from the country. Their promise to remain in the country had been a condition for their freedom.

According to the source, the Purcells had no arrest warrant until 6 May, the date when they departed the country, which allowed them to leave with little risk.

Moreover, Emilio de Leon, first higher prosecutor for the David Third Judicial District has said that there are leads which indicate that officials at Paso Canoa allowed the Purcells to leave the country in an Alfa Romeo four-door automobile bearing Costa Rican license plates 2980.

It has been discovered that members of the Judicial Technical Police, an immigration officer, and an agricultural quarantine officer may have been arrested for planning the Purcells' escape, the official said.

The prosecutor reported that these officials gave passports and a certain amount of cash to the Paso Canoa authorities who, in turn, authorized the departure of the automobile, driven by Hector Rodriguez, and carrying the Purcells.

The official said he could not disclose the names of the people who are implicated because it might interfere with the investigations of all the Paso Canoa personnel.

These situations occur because the Paso Canoa offices still have personnel from the old regime, Prosecutor De Leon said.

DRP Magistrate on Access to FDP Documents

PA3006173890 Panama City EL SIGLO in Spanish 28 Jun 90 p 25

[Report by Aneldo Arosemena]

[Text] Dr. Eusebio Marchosky, magistrate of the Directorate for the Recovery of State Property [DRP] has said that the U.S. authorities made arrangements to give Panamanian authorities' access to the 15,000 boxes of documents containing the files of the defunct Panama Defense Forces [FDP]. However, he added that the documents are still in U.S. hands.

The U.S. Army seized the 15,000 boxes of documents in the aftermath of the 20 December invasion. These boxes contain hard evidence that may be used to uncover criminal activities involving government funds by FDP staff members, including Manuel A. Noriega, head of the defunct FDP.

Commenting on the compromising documents, Magistrate Marchosky said that "they are not in Panamanian hands," adding that "we have reached an agreement that will guarantee us access to the documents, as we requested."

When referring to statements by the controversial legal expert Juan Materno Vasquez, who said that the creation of the DRP was unconstitutional, Marchosky stated that these remarks by Juan Materno Vasquez are very puzzling because the DRP was created by a cabinet decree.

"The nitpicking remarks by Juan Materno Vasquez concerning the cabinet decrees are puzzling, especially after he signed 300 or 400 cabinet decrees when he served as minister of the previous government," Magistrate Marchosky added.

Marchosky said that the cabinet decrees by Juan Materno Vasquez were issued to "put people in jail, ban freedom of expression, and send people to the island of Coiba [penitentiary center]."

Meanwhile, EL SIGLO has learned that Magistrate Gonzalo Menendez Franco publicly reported that the three DRP magistrates have received death threats at their offices from unidentified individuals.

Joint Street Patrols To Continue

PA3006170790 Panama City EL SIGLO in Spanish 28 Jun 90 p 29

[Report by Servio Correa Loaiza]

[Text] Foreign Minister Julio Linares has told EL SIGLO that "the government believes that there is justification for the Panamanian police and U.S. soldiers to continue their joint street patrols until December of this year; however, after that date, the National Police will be capable of maintaining order around the country."

When asked about the presence of many contingents of U.S. soldiers throughout the country, Linares said: "The U.S. soldiers are there providing community services. This is being done with the approval of the government and those involved in the joint patrol tasks, especially in the interior of the country. If there are Americans in those areas who are not part of the plan, they will have to go areas assigned to them under the Torrijos-Carter Treaties."

Attorney General Orders Arrest of Jail Chief

PA2906184490 Panama City CRITICA LIBRE in Spanish 27 Jun 90 pp 32, 48

[Report by Justino Gonzalez Jr.]

[Text] Yesterday, the Panamanian Attorney General's Office ordered the preventive arrest and separation from his post of the Modelo jail chief, Lieutenant Luis Gordon, for his alleged participation in the flight of Carlos Horacio Gea Crespo, a prisoner of Uruguayan nationality who is one of the most important drug traffickers arrested by the Panamanian authorities.

The Attorney General's Office investigations determined that Lt. Gordon's negligence resulted in the flight of the said prisoner.

The Panamanian authorities arrested Gea Crespo on 21 April 1990 when he was trying to bring 323 kg of cocaine into the United States in four vehicles that were going to travel through Central America.

The Uruguayan citizen is a member of a drug cartel (the Cali Cartel) branch that operates in Panama. The authorities had arrested him twice before while he was trying to transport 636 kg of cocaine.

Upon an order issued by Lt. Luis Gordon, on 16 June Gea Crespo was taken to the Santo Tomas Hospital, from where he escaped.

According to an Attorney General's Office press bulletin, Gea Crespo had tried to escape twice before from the Santo Tomas Hospital, where he had been taken for medical treatment upon a petition presented by the Uruguayan consul general in Panama.

Two days before the flight, Attorney General's Office employees warned Lt. Gordon that the Cali Cartel member could try to escape from the hospital and the prison's doctor advised Gordon to wait until the following Monday to reinforce the surveillance in the hospital.

Argentina

Cavallo Responds to Bush's Trade Initiatives

PY2806024690 Buenos Aires TELAM in Spanish 0130 GMT 28 Jun 90

[Text] Buenos Aires, 27 Jun (TELAM)—U.S. President George Bush today announced three initiatives that "greatly encourage the policy we are following in Argentina." The U.S. President has suggested opening a free trade area between Tierra del Fuego and Alaska, creating an investment fund for Latin America, and implementing environmental recovery programs that will allow the reduction of the foreign debt.

This was reported by Argentine Foreign Minister Domingo Cavallo from New York during a telephone conversation with TELAM, before he departed—at 1040 Argentine time—for Brussels, where he will attend a GATT meeting, among other activities.

The Argentine foreign minister was referring to the speech given this afternoon by the U.S. President before a group of Latin American and Caribbean ambassadors at the White House. Bush announced the creation of an economic plan drawn up "by a working group over the past three months."

Although the plans "are not specifically aimed" at Argentina, Minister Cavallo said, they refer to "U.S. relations with Latin American countries," and aim "to increase trade, just as we are doing in the southern cone."

Cavallo said that in the field of trade, Bush suggested "beginning talks to establish a free trade zone on a continental scale between Tierra del Fuego and Alaska," adding that "the talks should begin with the groups of countries which are organized among themselves for free trade."

As for foreign investment in Latin America, Bush "suggests creating a fund that will be administered by the Inter-American Development Bank (IDB), and to which the U.S. Government will make a large contribution," Cavallo reported.

"Japan and Europe are invited to contribute to this fund to help those countries which will modify [passage indistinct] their public companies," the foreign minister added.

Cavallo then reported that the third U.S. proposal, which he called "debt in exchange for nature," promotes the "reduction" of the Latin American countries' debt by connecting it to "programs for the recovery of the environment and the preservation of nature."

Cavallo said: "Argentina can and wants to implement these programs to preserve all of its natural resources." He added: "This will enable us to effect a major reduction of our debt while doing something that will greatly benefit us and mankind—that is, to work for the preservation of the environment."

Cavallo noted that the U.S. President's speech "is a denial at the highest level of widespread comments that circulated in Buenos Aires in the wake of remarks made by Elliott Abrams," former assistant secretary of state for Latin American affairs. In a recent visit to our country, Abrams stated that "the United States will not pay any attention to South America," Cavallo added.

Cavallo added: "We are now hearing an altogether different position from President Bush—that is, that the United States attaches great significance to its relations with Latin America, especially with South America. They want to promote trade, investments, and they want to help us solve our debt problem."

"This supports all that we have been doing in Argentina, because every part seems to have been written while keeping in mind precisely what the Argentine Government has been doing," Cavallo added.

Commenting on a meeting he held with U.S. bankers, Cavallo stated that the privatizations concluded this week—that of the National Telecommunications Enterprise and of the national road system—"have made a very good impression in New York business and financial circles." He added: "This has persuaded them that Argentina is working very seriously in the area of privatization."

Cavallo concluded by stating that these circles have expressed "interest in investing in privatization programs." He made it clear that although his visit was not designed to carry out specific negotiations, he was able to ascertain that there is interest in investing in petroleum and gas pipeline projects, among other things.

Menem Describes Bush Proposal as 'Feasible'

PY0107031690 Buenos Aires DYN in Spanish 0242 GMT 1 Jul 90

[Text] La Rioja, 30 Jun (DYN)—Tonight President Carlos Menem endorsed a proposal made last week by his U.S. counterpart, George Bush, who discussed the possibility of creating an integrated trade network among all countries of the Americas.

In a statement to the local press, Menem described Bush's proposal as "feasible." He noted, however, that Latin American economic specialists will have to study the subject.

In this respect, Menem said the Argentine Government will continue to implement its integration processes with Brazil, Uruguay, and Paraguay.

United Left Leader Criticizes Bush Proposal

PY0107031290 Buenos Aires DYN in Spanish 0038 GMT 1 Jul 90

[Text] Buenos Aires, 30 Jun (DYN)—Today United Left leader Nestor Vicente stated that U.S. President George Bush "is seeking to create a common market in the hemisphere to sell us U.S. surplus items at high prices and buy cheap raw materials in Latin America."

Before leaving for Sao Paulo, Brazil, to attend a meeting of Latin American leftist parties and organizations, Vicente said that "Bush's proposal is like a bear hug, it seeks to legalize the complete elimination of tariff barriers so the United States can easily sell its surplus production to our impoverished countries." Vicente made a call "to move toward the formation of a Latin American opposition front that would uphold an alternate proposal based on the people's interests rather than on those of multinational companies."

Vicente also stated that "it is logical for (Alvaro) Alsogaray and (Carlos) Menem to welcome the U.S. President's speech because the U.S. proposal also envisages the exchange of devalued Latin American foreign debt papers for our nations' public property, as in the case of the National Telecommunications Enterprise."

Vicente was invited to Sao Paulo by the Workers Party of Brazil, the meeting's sponsor.

Menem Says Entel Sale Lowers Foreign Debt

PY2906213990 Buenos Aires TELAM in Spanish 2343 GMT 28 Jun 90

[Excerpts] Buenos Aires, 28 Jun (TELAM)—Today President Carlos Menem noted that with the privatization of Entel [National Telecommunications Enterprise], "we have managed to substantially reduce our foreign debt by almost 10 percent." The chief of state made this statement during a ceremony in which he signed the decree awarding Entel's exploitation to the Spanish Telefonica Enterprise and the U.S. Bell enterprise.

Menem noted that if "we take into account the amount in interest that Argentina is paying on this astronomic debt, we will find that we are saving some $600 million per year in the servicing of our foreign debt." [passage omitted]

Congressmen To Visit UK To Discuss Falklands

PY0107230890 Buenos Aires LA PRENSA in Spanish 1 Jul 90 p 3

[Text] Eduardo Menem, president of the Senate Foreign Relations Committee, has announced that a delegation of Argentine congressmen will travel to London on 9 July to meet with British parliamentarians and analyze the two countries' positions regarding the Malvinas Islands.

Menem indicated that the congressmen will remain in Great Britain on 9, 10, and 11 July, and that the delegation will include Jose Manzano, president of the PJ [Justicialist Party] bloc of deputies, and Deputy Ramon Puerta.

He stated that the possibility of achieving agreements in the fishery and petroleum sectors will be analyzed in the talks with British parliamentarians. There is also the possibility of a meeting with British Prime Minister Margaret Thatcher.

Regarding this meeting, Menem indicated that during their stay the Argentine congressmen will attend a session of Parliament in which the prime minister will make a report and the meeting could be set up at that time.

Cavallo Signs Investment Agreement With Belgium

PY2906154790 Buenos Aires TELAM in Spanish 2134 GMT 28 Jun 90

[Text] Buenos Aires, 28 Jun (TELAM)—Today Argentine Foreign Minister Domingo Cavallo signed an agreement with his Belgian counterpart Mark Eyskens for the promotion and protection of investments between Argentina and the Belgian-Luxembourg Economic Union.

According to reports today by Argentine diplomatic sources in Buenos Aires, this agreement was signed by the two foreign ministers at a ceremony held at the Egmont Palace in Brussels. It is the first agreement achieved with a European country [as received].

The agreement provides guarantees for businessmen to freely transfer their investment profits and to reimburse loans and possible gains. It also establishes a legal procedure in case of possible disagreements.

Committee Cites Need To Promote Nuclear Programs

PY3006035390 Buenos Aires DYN in Spanish 0108 GMT 30 Jun 90

[Text] Buenos Aires, 29 Jun (DYN)—The Permanent Argentine-Brazilian Committee for Nuclear Policy has stressed the need to promote their countries' respective nuclear programs. In this regard, they have agreed on the need to increase cooperation and integration between the two countries.

The committee, which today ended its two-day meeting here, decided to hold its next meeting in Brazil in the last quarter of 1990.

The Argentine delegation was headed by both Enrique Candiotti, Foreign Ministry director for strategic matters, and Manuel Mondino, National Atomic Energy Commission chairman.

The Brazilian delegation was headed by both Celso Amorin, Foreign Ministry Economic Department head, and Jose Luiz de Santana Carvalho, National Commission for Nuclear Energy chairman.

The Foreign Ministry has reported that in this meeting, the first since President Fernando Collor de Mello took power, the two delegations ratified "their governments' firm decision to strengthen their bilateral relations in the nuclear sector under the integration process."

They also reasserted the "importance of nuclear power for the welfare of their people, and for economic, scientific, and technological development. They also pointed out their commitment to use nuclear power exclusively for peaceful purposes."

Minister Announces Deficit Control Measures

PY0107021090 Buenos Aires TELAM in Spanish 0059 GMT 1 Jul 90

[Excerpt] La Rioja, 30 Jun (TELAM)—Tonight Economy Minister Antonio Erman Gonzalez announced a number of measures designed to tighten control of the fiscal deficit and implement mechanisms that will reconcile national production with imports.

Gonzalez made it clear that "this is not a blanket opening of the economy, but an initial step to reconcile our national production with that of other markets."

Speaking from the La Rioja government house tonight, Gonzalez announced several measures. He devoted a chapter of his speech to "the opening of the economy" and announced measures such as the elimination of specific duties on sulphuric acid and of the requirement for prior authorization for "some types of paper."

He said that specific duties on textiles, toys, and hand tools will be reduced and that the requirement for prior authorization for "some types of paper" will be eliminated.

Gonzalez said that the requirement for prior authorization will continue to be temporarily in force for motor vehicles.

He added that a sworn statement justifying the need to import a commodity will no longer be required. He said the statement will be replaced by "a strictly statistical system," and that export paperwork and requirements will be simplified.

Gonzalez also announced that the decree implementing the antidumping law will be amended "to make it more effective." He added that "a system will be set up requiring importers and exporters to fill out forms when faced with cases of dumping or subsidies."

Gonzalez also announced that the fines established in the law defending free competition will be updated "to raise them to a maximum of 700 million australes." He added that a draft amendment to this law will be submitted to Congress "to make it more effective and to request the elimination of Article Five." He said Article Five "provides great protection for offenders and deals with admissible evidence."

Regarding regional economies, Gonzalez announced that "in general terms, there will be a five percent reduction of export duties affecting commodities produced by regional economies during the next production season." He said this decision is designed "to promote the export of these products, especially nontraditional export items."

Gonzalez reported that in an effort to promote investments, a proposal will be submitted to Congress to implement "the immediate use of fiscal revenues resulting from the value added tax affecting the purchase of durable consumer goods—that is, in the same month in which the revenues are collected." He said this will bring "financial relief to purchasers of durable consumer goods."

Gonzalez also announced that another proposal will be submitted to Congress "to allow, for a limited period of time, the possibility for a taxpayer to deduct from his income tax the total amount paid for capital assets purchased during that tax year, irrespective of the number of years the assets can be used." He said this is equivalent to "an accelerated amortization."

Furthermore, he announced that "there will be a deferred payment on import duties for durable consumer goods."

Minister Gonzalez anticipated some fiscal measures, saying that "Congress will be asked to promptly pass the law levying the value-added tax across the board, and to modify the fuel tax law." He also anticipated that "the percentage of tax on the sale and exchange of foreign currency may be increased."

He indicated that a special court to try cases involving tax violations will be created in order to curb tax evasion. For the same purpose, he added, 600 more inspectors will be hired by the General Tax Directorate [DGI] under a World Bank program. Also, examinations will be conducted to increase the DGI staff and the customs service by 2,000 people.

Minister Gonzalez revealed that public enterprises, taken together, posted surpluses of $45 million in April and $48 million in May. As for overtime work in these enterprises, it was reduced by 26 percent in April when compared with the first quarter.

After pointing out that "bureaucratic and managerial structures will be reduced," he referred to a program of purchase auditing by saying that "the set of requirements to qualify for providing this service is being put together with the assistance of the UN Development Program."

He also said that "provisions regarding productivity and efficiency will be included in collective bargaining renegotiations."

Regarding finances, Minister Gonzalez said that "the project to reform the Central Bank charter and create a foreign trade organization to finance export operations is ready." He added that "the idea is to create some sort of

foreign trade bank and bring the provinces and commerce and bankers chambers into an advisory council to support the directorate of such a bank."

The economy minister said that the Central Bank has initiated a policy of required reserves reduction, "so as to bring them into line with international levels, reducing by three percent the required reserves the banks must keep for demand deposits."

Also, a bill on negotiable obligations was sent to Congress, "for the purpose of strengthening the capital market, channeling investments into enterprises that are interested in growth and expansion."

Referring to the budget, Minister Gonzalez mentioned that "financing needs have been reduced from 8.14 percent of the gross domestic product [GDP] in 1989 to 2.4 percent now, and the cash balance deficit has been reduced from 3.57 percent of the GDP to 0.4 percent. These strict limits have been set in order to consolidate the country's economic stability and pave the way for its growth."

Minister Gonzalez also announced that a bill on state accounting and contracting and another bill on administrative control will be sent to Congress, "to comply with the requirement to tighten public expenditures." [passage omitted]

Menem Urges Citizens To Join Antidrug Struggle

PY3006143690 Buenos Aires TELAM in Spanish 1706 GMT 29 Jun 90

[Text] Buenos Aires, 29 Jun (TELAM)—President Carlos Menem stated today at noon that "all Argentines, whether uniformed or not" must participate in the struggle against drug trafficking. He added that "any action against the traffic of death will surely be good."

Menem made this statement when he was asked whether the Armed Forces or their intelligence services will join the struggle against drug trafficking. The question was asked by reporters at the end of the ceremony held at Hurlinghan to pay homage to religious people of the Croation community.

Menem Notes Gains After First Year in Office

LD3006102290 Madrid Domestic Service in Spanish 0700 GMT 30 Jun 90

[Text] After a year in office, President Carlos Menem continues to be a staunch supporter of a pardon for military officers, something which he believes is essential for reconciliation in the country—a report on this from Javier Gonzalez in Buenos Aires:

[Begin recording] [Gonzalez] Next week the president of Argentina, Carlos Menem, completes his first year in government. In an exclusive interview with Spanish radio, the president made an appraisal of his record over this first year. His main achievement, he said, is to have initiated the process of privatizing state companies within the framework of the state reform, and also surmounting the hyper inflation process, laying stress on the situation he inherited:

[Menem] The outlook has been positive during this past year. Perhaps we have committed some [word indistinct], but you must not lose sight of the fact that we [words indistinct]. We have practically had no time to implement a coherent policy, but during the past few months we have been able to take on more and more. We have extinguished the raging fire in the country and on these premises, with a popular market economy and market freedom, we are now beginning to put Argentina where it really belongs in the context of the nations of the world.

[Gonzalez] President Memen continues to defend the need for a pardon in order to pacify the country. The only person remaining in prison would be General Suarez Mason, who was recently extradited to the United States and faces charges of common crimes. He continues to cite as examples European countries such as France, Spain and even Italy, where he predicts that members of the Red Brigades will soon be pardoned. [end recording]

Food Prices Increase 10.88 Percent in June

PY3006184890 Buenos Aires TELAM in Spanish 2140 GMT 29 Jun 90

[Summary] Buenos Aires, 29 Jun (TELAM)—According to a survey conducted by the Industry and Commerce Under Secretariat, the price of food and drinks increased by 10.88 percent in June.

Bolivia

Radio Reviews Case of Americans, Learjet

PY2906141790 La Paz La Red Panamericana in Spanish 1130 GMT 29 Jun 90

[Text] The criticism that has been leveled against the government by various sectors throughout the country—Congress, labor and campesino organizations, and universities—over its decision to release the crew and passengers of Learjet license number 964, has been received cautiously by executive branch authorities.

Several ministers have excused themselves from commenting on the case, indicating that they did not have pertinent information regarding the release of the drug trafficking suspects, a case that began with the confiscation of the U.S. airplane.

Even the acting president of the MIR [Revolutionary Movement of the Left], Oscar Eid Franco, did not want to comment on the case, indicating that the ministers concerned must give an explanation to Congress and the media.

The foreign and interior ministers have stressed that the release of the six U.S. citizens was a sovereign decision of the government and that no pressure was exerted by the U.S. Embassy.

Foreign Minister Carlos Iturralde stressed that neither Ambassador Robert Gelbard nor any U.S. diplomatic official had requested the release of those arrested.

Journalists bombarded the foreign minister with questions, but Iturralde gave ambiguous answers.

[Begin recording] [Iturralde] The U.S. Embassy has not asked the Foreign Ministry to intervene. We will inform you later.

[Reporter] But, Foreign Minister, it will not be the first time that ambassador [word indistinct] has intervened.

[Iturralde] No, he has not intervened.

[Reporter] [Question indistinct]?

[Iturralde] We will see, we will see. However, no request has reached me here at the Foreign Ministry. [end recording]

You have just listened to Foreign Minister Carlos Iturralde's remarks.

In the case of the capture and subsequent release of U.S. citizens, who are presumably drug traffickers, the government has violated a series of articles of the law on drug trafficking. This could mean that Article 73 of Law 1,008 could be applied. The article deals with the crime of being an accessory to an escape.

Deputy (Alfonso Rufino) was quite correct when he referred to Interior Minister Guillermo Capobianco's report to the Chamber of Deputies as unsubstantial. The minister justified the government releasing the crew and passengers of the Learjet, which is owned by an important U.S. air taxi company. The minister stated that it was the prosecutor who determined the release of those persons. This caused a reaction from the deputy, who with a copy of the law in his hand demonstrated that legally the prosecutor is not competent, and he mentioned that judges determine if someone is guilty.

It has also been confirmed that the North Americans were not remanded to the special courts that were created for the purpose.

The deputy mentioned that the government has carried out a series of irregularities and that Law 1008 could be used against government officials who have violated our laws.

Andres Solis of the Conscience of the Fatherland considers that the minister has only one option: To resign. He stated that during this coming weekend the government will try to find a scapegoat so that the hand of the law does not fall on the minister.

According to Defense Under Secretary (Santiago Gonzalo Torrijo), the crew and passengers of the plane have been released because there was no evidence that they are linked to drug trafficking.

During a news conference, Interior Under Secretary Raul Loayza made a full report on the case of the plane that was confiscated on 19 June.

Moreover, it must be made clear that even though they are talking about a small plane, it is in fact a Learjet, license 964-CI.

This is a case in which the authorities have not satisfied the questions of the media because although the plane was confiscated and handed over to the Air Force under Law 1008, the plane's passengers and crew have been released and the case is closed.

Apart from the news conference, Panamericana obtained the opinion of other authorities that are linked to the investigation. These authorities indicate that Interpol should be called because although the evidence is there, those who are responsible are not there. In other words, nothing is being done to capture the criminals.

The plane belongs to the U.S. Air Taxi Jet Club [four preceding words in English] company. Here are the names of the crew and passengers who have been released:

Passengers: (Emilio Stevens) (Paul Robinson), (Stewart Keller), and (Pierre Spencer Asburt). The first three are American and the last is British.

Crew: (William Devers) and (Ian Turner).

The authorities have heard their testimonies and the prosecutor ordered their release on 21 June because there was no evidence against them, according to (Torrijo).

[Begin (Torrijo) recording] Their testimony was heard and the prosecutor ordered their release on 21 June because there is no evidence against them.

The four passengers were arrested during the early hours of 20 June. The same procedure was carried out with the crew, and the lack of a relationship of the passengers with [words indistinct], therefore the prosecutor ordered their release. [end recording]

(Torrijo) added that the U.S. Embassy did not apply pressure for the release of the American.

He then indicated that the Americans were in the country to film the [name indistinct] district. When he was asked whether they had authorization for this work, the interior under secretary indicated that they intended to observe the countryside first and then make the film.

Congressmen: U.S. Intervened in Drug Case

PY0207000290 Madrid EFE in Spanish 2338 GMT 1 Jul 90

[Excerpt] La Paz, 1 Jul (EFE) — Bolivian congressmen have confirmed that the United States applied pressure to obtain the release of one British and five U.S. citizens involved in the case of the plane that was confiscated for drug trafficking.

On 20 June the Special Antidrug Force confiscated a Learjet, valued at $3 million, because there were traces of cocaine and marijuana inside the plane.

The plane belongs to the air taxi firm of Clay Lacy Aviation [three preceding words in English], based in California.

During the confiscation operation, police also arrested four passengers and two crewmen, including the well known U.S. rock singer Emilio Estevez, according to the reports.

Leftist Deputy Gregorio Lanza has stated that the Special Antidrug Force has confirmed in its report to the Chamber of Deputies' Antinarcotics Committee that "there was pressure from the U.S. Embassy in La Paz for the release of the six arrested persons and the plane."

The congressman, who is a member of that congressional committee, stressed that the authorities of the Special Antidrug Force have expressed their very deep concern about the pressure that was applied by the U.S. Embassy, which exercises, they say, "a type of suprajustice [suprajusticia] that jails Bolivian campesinos, but frees U.S. drug traffickers."

The U.S. Embassy denied that it had applied pressure for the release of the five Americans and one Englishman, and it indicated that its action was limited to obtaining knowledge of the state of the six arrested persons, which is normal in this type of case. [passage omitted]

Paz Faces Problems With Economic Measures

PY2906184090 Madrid EFE in Spanish 0842 GMT 29 Jun 90

[Report by Agustin de Gracia]

[Text] La Paz, 29 Jun (EFE)—The Bolivian Government is trying to promote vital economic measures for the country in the midst of an angry business sector that has been strongly criticized by government officials and a threat by the opposition to boycott in Congress the draft bill regulating investments.

President Jaime Paz Zamora, who will complete his first year in government on 6 August, wants to lead Bolivia along the path of economic growth following the stability that has been achieved since 1985, but his efforts have encountered unexpected obstacles during the past few hours.

The private sector, which until recently was one of Paz Zamora's main allies, reacted angrily to the charges of "lack of aggressiveness and confidence" by General Hugo Banzer, retired, leader of the center-rightist Nationalist Democratic Action (ADN) and member of the government coalition.

In addition to the criticisms made by Banzer, who was president of Bolivia between 1971 and 1978, were those by Labor Minister Oscar Zamora, an old communist militant, who asserted that Bolivian businessmen are "weak and do not have a great investment capability."

Carlos Calvo, president of the Confederation of Private Businessmen of Bolivia, refuted the charges and blamed Paz Zamora's government for diverting resources originally earmarked for the private sector to the Central Bank.

Last Tuesday, 26 June, Calvo said that "the Bolivian economy is at stake because the Central Bank reserves increase and are reinforced with resources obtained from foreign loans earmarked to support and strengthen the national private sector."

Calvo revealed that $40 million of a $70 million credit line, recently granted by Japan and earmarked for the private sector, has already been disbursed and has gone to the state coffers.

The businessman added "the private sector has not seen a single penny of it because it is in the hands of the Central Bank and will be used to increase the country's reserves."

High ranking officials and experts in economic affairs believe that Bolivia is "racing against the clock" to try and increase investments, domestic reserves, and foreign resources, seeking an annual economic growth of 4.5 percent of the GDP.

This economic growth rate, almost double the population growth rate, is regarded as the "minimum" necessary for Bolivia to relinquish its position as the poorest country in Latin America.

However, the need for investments is affected by the state's lack of resources and the alleged passiveness of the private sector, which, according to the government, is accustomed to channeling its profits to the financial market. This point has been harshly refuted by businessmen.

Calvo asserted: "We feel frustrated because we are not managing to make the economy grow and we may place at stake what we have achieved so far.... There is an attempt to hold private enterprise responsible for the failures and for the incapacity to achieve objectives by their own means."

With this statement Calvo refuted the charges made by Banzer, who closed the issue by saying that he did not want to engage in controversies and that "the truth hurts."

In addition to the chances of losing an ally—the private sector—Paz Zamora also faces the risk that the approval of two important draft bills, one referring to investments and another to hydrocarbons, may be blocked by Congress.

The investments draft bill establishes the legal framework to attract the desired foreign resources to the country by establishing equal terms for private and foreign enterprises and guaranteeing the remittance of profits abroad.

The hydrocarbons draft bill regulates a key sector for the Bolivian economy and one of the most attractive to foreign investors.

However, the Nationalist Revolutionary Movement (MNR), the largest opposition bloc in Congress, yesterday announced its decision to boycott the debate of the two draft bills as long as the electoral law amendment discussions, pending since last year, are not carried out.

The MNR won the elections in 1989, but did not obtain the presidency because the coalition formed by the ADN and Paz Zamora's party, the Movement of the Revolutionary Left (MIR), made it possible for these two forces to obtain the necessary amount of votes to secure the presidency.

The main opposition party fears that this same system that favored Paz Zamora in August 1989 will be used in Banzer's favor during the 1993 elections. The MNR considers this issue to be more important than economic laws.

MNR Secretary General German Quiroga yesterday asserted that "we believe that if the electoral law is not discussed, if we do not reach a consensus regarding the rules this country should have, the Bolivian democratic process runs a great risk in the next elections."

Quiroga added: "In our capacity as opposition we will try to prevent any other draft bill from being approved before the electoral law."

In addition to all this, Paz Zamora's Government has to put up with unfavorable comments by General Banzer, his ally in government.

Last Tuesday, 26 June, Banzer said that "this government has strived mainly to consolidate stability, and it would not be surprising if we spend the four years in government doing it."

Banzer has increased his public activities during the past few days, while Paz Zamora remains in Government House working on the difficult task of reshuffling his cabinet before completing his first year in power and trying to please every political party that supports him.

Coalition Member Demands 'Change of Course'

PY3006150290 Madrid EFE in Spanish 0147 GMT 30 Jun 90

[Text] La Paz, 29 Jun (EFE)—Today General Hugo Banzer, retired, leader of the Nationalist Democratic Action (ADN) party of the government coalition, stated that the Bolivian state needs "a change of course" and needs to get rid of corruption and inefficiency.

Banzer, who was president of Bolivia between 1971 and 1978, is the main political ally of President Jaime Paz Zamora, leader of the Movement of the Revolutionary Left (MIR), who took office on 6 August 1989, thanks to the support granted by the center-rightist ADN.

During the closing of the sixth ADN National Assembly, held in a La Paz theater this evening, Banzer said: "We believe the time has come to change the government's course. A halt and an adjustment are necessary."

The former Bolivian president harshly criticized the government's red tape, inefficiency, the lack of discipline of the ADN-MIR coalition's representatives in Congress, and advocated the need for austerity in public expenditures.

Paz Zamora sent a message to the ADN Assembly that was read at the end of Banzer's speech. In it Paz Zamora says that he shares the "constructive reflections" made by his political ally.

Brazil

Government 'Satisfied' With Measures Suspension

PY2906152990 Rio de Janeiro O GLOBO in Portuguese 28 Jun 90 p 25

[Text] Brasilia—It has been reported that the Brazilian Government is satisfied with the U.S. decision to suspend its retaliatory measures against our country. Yesterday, U.S. Trade Representative Carla Hills announced that the U.S. Government had decided to suspend the retaliatory measures that were imposed on its trade with Brazil in 1988. The U.S. Government decision was announced after Economy Minister Zelia Cardoso de Mello released the new industrial and foreign trade policies. The suspension of the retaliatory measures is part of a negotiation process aimed at "progressive adjustments" in the problematic relations between the two countries, a diplomatic source stated.

The note released by Itamaraty mentions that the retaliatory measures (a 100-percent surtax on the export of paper and cellulose, and electronic and chemical products), which were based on the U.S. laws, were imposed on Brazil because the Brazilian Government did not maintain the pharmaceutical products patents.

As a result of the U.S. decision, the note states, "dynamic and competitive sectors of the Brazilian economy will again compete freely in the U.S. market." According to

Hills, when the retaliatory measures were imposed, Brazilian exports to the United States amounted to about $39 million. Itamaraty sources have reported that the losses resulting from these measures totalled $150 million.

Itamaraty spokesman Jose Vicente Pimentel added: "It is expected that Brazilian-U.S. bilateral relations will now improve very much."

Regarding the pharmaceuticals issue, the note states: "The guidelines on the industrial policy announced by the Brazilian Government contemplate updating and modernizing the legal rules to be applied to the pharmaceutical sector. Among these rules is one that must be submitted to Congress before June 1991 on the protection of patents on pharmaceutical processes and products.

Dailies Praise Bush's Common Market Proposal

PY3006190290

[Editorial Report] Sao Paulo O ESTADO DE SAO PAULO in Portuguese on page 3 of its 29 June issue carries a 900-word editorial entitled "A Policy for the Americas," on the proposal to create a common market system for the Americas made by U.S. President George Bush in his 27 June speech.

The editorial calls President Bush's proposal "the first truly comprehensive policy announced in the past 30 years." It then notes that this policy can thrive at this time when "all countries in the hemisphere, except Cuba, are engaged in a democratic process—a situation that is unprecedented in Latin America." The editorial emphasizes that the economic integration President Bush proposes cannot be pursued "without unity of purpose and similarity of methods," which can be seen in the American states' efforts "to adopt democracy as their political regime and the free market as their economic system."

The editorial then points out that "the plan reveals President Bush's remarkable sense of opportunity," considering that the continent's main countries have just recently held free and democratic elections. However, says the editorial, "these countries are struggling in the midst of serious economic crises, which they are trying to overcome by releasing the forces of the market." So, it adds, "the plan is opportune, but not opportunistic."

After pointing out that the European common market to be established in 1992 will have political and economic consequences for the United States, the editorial says that the country to the north should have "an interest in rebuilding the inter-American system, which has been decaying since the 1970's, and collapsed during the Malvinas war."

Finally, the editorial stresses that without the initiative of the United States, the Latin American countries will only submerge in their crises and poverty, and points out that if "the United States is interested in creating a free trade zone encompassing the whole continent, the countries of this region should certainly have identical interests."

Rio de Janeiro JORNAL DO BRASIL in Portuguese on page 10 of its 29 June issue carries an 800-word editorial entitled: "Project for the Continent" referring to President Bush's "diplomatic offensive," stating that the Bush Plan comes 30 years after President Kennedy's Alliance for Progress, the cold war that reached its peak in the 1960's, and of the revolutionary movements in the region, from Fidel Castro's campaign on Sierra Maestra to the Sandinist electoral defeat in Nicaragua.

The editorial says that now that the United States is no longer facing "the red threat," it is finding itself within "a world where the centers of power change position right before our eyes. The world hegemony does not seem to be in anyone's reach. The logic that prevails, at least for the time being, is that of the large regional blocs."

Stating that after the creation by the United States of its own regional common market with the participation of Canada, Bush is now suggesting that this regional organization will probably expand its frontiers from Anchorage (Alaska) to Tierra del Fuego (Argentina).

It adds: "The logic of regional blocs and the need to react with a policy appropriate for the giddy changes the world is witnessing have certainly urged President Bush to present his piece of rhetoric."

"But there is another factor to be taken into consideration: free of the cold war and of the Central American sting, the current Washington administration must have realized that without an active effort, the southern part of the continent is simply threatened with separation from this historical moment and a plunge into a gloomy Stone Age, which is not good for anyone, not even for the United States."

The editorial adds that in times past, when the cold war virus and resentment against the imperialists prevailed, the solution to some regional problems would be found in U.S. assistance, conceived as a gift from father to son, from a rich cousin to a poor cousin, and that this old song can return now that Bush is opening his arms in a welcoming gesture.

It goes on to say that "some countries, such as Brazil, Chile, Argentina, and Uruguay, are in a position to begin exploiting the prospects offered by that proposal of the free market. But even in those countries, and especially in others, there is a serious task to be carried out at home. Without a minimum of public order at home, the regional integration talks will not go very far."

In conclusion, the editorial says that a continent that over the past 10 years has lived under the burden of foreign debt, "the appeal to the imagination and to cooperation is obvious. The answer will come from those

who are in a position to think on a new frequency; those who are in a position to follow the thrust that took the world to a new era."

Rio de Janeiro O GLOBO in Portuguese on 29 June carries a 500-word editorial entitled: "Integration Opportunity," which says that "what President George Bush presented in his speech day before yesterday has everything of a political platform, of a continental policy." It adds that although it came a year after his inauguration, it "has allowed the president to announce it knowing what he was talking about."

After outlining the reasons that led President Bush to review U.S. relations with Latin America, the editorial says that more than an imposition, the proposal "is also an answer by the United States to the partnerships that have been formed or are still to be formed."

The editorial goes on to say that the basis for this political platform, a sort of pilot plan, is "the agreements already signed by the United States with Canada, Mexico, and Bolivia." However, it adds that this plan will probably take a little longer because of the integration difficulties among countries without homogeneous economies like those in Europe. "This must be the reason for President Bush's proposal for a gradual integration through bilateral agreements."

Stating that although this does not seek to revise the Alliance for Progress, "it would be nonsense to give this 'initiative for the Americas' an ideological connotation."

The editorial concludes by saying that more than most Latin American and Caribbean countries, Brazil is in a better condition to follow this path. It adds that "this is the time for integration. We are burying state-imposed nationalism, because if it existed so deep in our culture, it was due to colonial domination."

Scientific Cooperation Pact Signed With Japan

PY2906182090 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 29 Jun 90

[Text] Brazil and Japan have signed a cooperation agreement in four scientific-technical projects. These projects have been prepared by the DNPM [National Department for Mineral Production] which has created the training center for the control of environmental pollution.

The Unicamp, Campinas State University, will work as a center for research and diagnosis of digestive system disorders. The Embrapa, Brazilian Agriculture and Livestock Research Enterprise, will work on the project to generate agroindustrial technology for the development of the humid-tropics [tropico humedo] in an effort to make the ecology of the Amazon region compatible with economic alternatives and the employment of the inhabitants.

Lastly, the SENAI, National Service for Industrial Apprenticeship, headquartered in Sao Paulo, will work on the automation of manufacturing industries.

(Guilherme Leite Ribeiro), executive director of the Brazilian Cooperation Agency, has said that the experience brought from Japan for expanding and mobilizing the agricultural, health, and industrial sectors will yield good results for Brazil.

Debt, Delays Plague FRG Nuclear Program

PY2906013590 Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 Jun 90 p A-6

[Report by Regina Eleuterio]

[Text] Rio de Janeiro—The Brazil-FRG nuclear agreement today completes 15 years of existence with a debt of $7 billion (approximately 420 billion cruzeiros in the parallel market) and a work timetable delayed by at least 14 years. The government has also announced its decision to review contracts for the construction of eight plants. Brazil is paying $1 million (60 million cruzeiros) daily in interest alone on loans taken out for the construction of the Angra II and III nuclear plants in Rio de Janeiro.

Originally scheduled to begin operations in 1980, Angra II will not be ready until 1994, and Angra III remains simply a ditch. For the purchase of equipment and the construction of the two plants, which have not yet generated any power, $2.45 billion (147 billion cruzeiros) has been invested. According to Brazilian Nuclear Industries (INB), the state enterprise responsible for the industrial stage of turning uranium into nuclear fuel, at least $2.55 billion (152 billion cruzeiros) will be necessary to finish the work.

In a document sent to the two presidential candidates last year, the INB argued that the delay in the timetable was mainly responsible for the increase in costs. The document also mentions the cost to maintain, idle and unfinished, the infrastructure to guarantee self-sufficient construction of nuclear plants.

The Nucleabras [Brazilian Nuclear Corporations, Inc.] Heavy Equipment, Inc. (Nuclep), which was created to manufacture equipment for the nuclear plants and had required an investment of $350 million (21 billion cruzeiros), has practically been paralyzed.

In addition to the lack of resources, the contracts made through the agreement with the FRG for the transfer of technology must be reviewed. When Collor was campaigning, he said that his government program envisioned the construction of Angra II (investments in this sector have risen to 69 percent of the overall cost) and a review of the Angra III project.

A decision to review the entire Brazilian nuclear program, including the agreement with the FRG, was announced in April by Jose Luiz Carvallo, chairman of the National Commission for Nuclear Energy (CNEN).

A group has been created among members of the military ministries, the CNEN, the Environmental Secretariat, the Science and Technology Secretariat, and civilian representatives to renegotiate the program. The result of the meetings, which will be held in Brasilia, will be sent to President Collor.

The contracts with the FRG provided for Brazil's gradual participation in the construction of eight plants. Angra II will reportedly be built with 35 percent Brazilian participation, while Angra III will be built with 45 percent Brazilian participation. Only after the construction of the fourth plant will Brazil be in a position to build Brazilian nuclear plants with a greater percentage of participation than the FRG. Angra I, the only plant to begin operations, is not included in the Brazilian-FRG agreement.

Collor Suffers Defeat at Supreme Federal Court

PY3006203890 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Jun 90 p 1

[Text] Yesterday the Supreme Federal Court [STF] inflicted a new defeat on President Fernando Collor by repealing, by nine votes against two, Decree No. 99,300, which reduced the salaries of public servants placed on standby status. The STF decision was based on charges by the Workers Party and the Democratic Workers Party that the decree is unconstitutional. The only two votes in favor were those of Justices Marco Aurelio Farias de Mello and Carlos Veloso, who were appointed by Collor. Administration Secretary Joao Santana has promised to reduce public servants' salaries.

Privatization Certificate Regulations Modified

PY2906232590 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Jun 90 p 1

[Text] The National Monetary Council (CMN) yesterday approved several modifications to the regulations on privatization certificates, which financial institutions will be required to purchase. The main modification affected the number of installments for payment of the certificates, which has been increased from 6 to 12. State banks have been released from the obligation to purchase the certificates. The CMN also authorized privatization certificate transactions on the secondary market. With these modifications, the revenues obtained from the sale of certificates will drop from $7 billion to $5 billion this year. The CMN also authorized banks to provide free life insurance to owners of investments higher than 43,000 cruzeiros.

Clandestine Cemetery Discovered in Rio

PY2906140390 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 29 Jun 90

[Text] The Rio de Janeiro police have discovered a clandestine cemetery in southern Rio de Janeiro. This cemetery contains the remains of approximately 10 corpses buried in three different places. It is located on the Mundo Novo hill, behind the Dona Marta shantytown in the Botafogo neighborhood. Some of the bodies were buried within the last month. They have many bullet holes and are badly mutilated. Only one body has been identified so far; it is that of Ronaldo Martins Silva, 21, a mine worker from Tiradentes [Minas Gerais state], who was killed only three days ago.

In addition to the corpses, the police also found a large number of spent bullet cases of different caliber firearms. A search and rescue squad of the Fire Fighting Corps has been called to remove the corpses that have been found in fairly inaccessible areas.

The police suspect that this could be the result of a war among drug traffickers, or an attempt to erase records.

Chile

Minister on 'Hopes' for Bush Initiative

PY3006131490 Santiago Domestic Service in Spanish 1100 GMT 30 Jun 90

[Text] Yesterday, Finance Minister Alejandro Foxley and his economic team started a visit to Great Britain, France, and the United States where they will hold talks with representatives of the financial and private business sectors.

Shortly before boarding the plane to London, Minister Foxley said that the Chilean Government has great hopes about U.S. President George Bush's announcement to create an Inter-American free trade zone that will allow a reduction of the foreign debt.

Foxley added: I hope this will have an impact on the West European and Japanese Financial sectors' opinion of the Latin American economy.

The minister was accompanied by his Under Secretary Andres Velasco and Chilean foreign debt negotiator Eduardo Aninat.

Nationwide Fiscal Reform Effective 1 July

PY2906122090 Santiago Radio Chilena Network in Spanish 1700 GMT 28 Jun 90

[Text] A nationwide fiscal reform goes into effect on 1 July. It includes a hike of 16-18 percent in VAT [Value Added Tax] rates, and increased taxes on profit made by companies.

These measures are established in Law 18985, which has been approved by the Congress and is published on today's issue of the OFFICIAL GAZETTE.

The fiscal reform has been approved thanks to the support given in Congress by the National Renewal and other party blocs. The most important aspects of the reform are:

VAT rates are increased by between 16 and 18 percent, which will in turn increase the Consumers' Price Index (IPC) by two points. The price of products and services will increase by the same amount beginning 1 July. National industries and companies will have to pay 10-percent tax on this year's profit. In 1991 and 1992, they will have to pay 15 percent on their profit. The mining and agricultural sectors have until now paid taxes on their planned profit [renda presunta] but beginning 1 July they will pay taxes on their real profit.

According to Finance Minister Alejandro Foxley, the fiscal reform is aimed at collecting more funds. These funds will be assigned to the poorest strata of the Chilean society who did not receive the economic benefit obtained during the military regime. As a result of this reform, the government will collect a total of $380 million (nearly 114 billion pesos). These funds will be used for projects in housing, health, and education sectors, to finance a hike in family bonuses, to readjust pensions, and to pay for the 10.6-percent increase that the government still owes retirees.

Although most congressmen support the fiscal reform, some sectors are still wondering whether the reform (?will yield positive results). Juan Riveros, deputy chairman of the Industrial Development Association, has said that the reform will hinder investments. If the government takes 10 percent of the businessmen's profit, that money will not be reinvested nor will the other 20 percent they obtained on credit, he said.

The government and the economic team said, however, that the high-profit sectors that have benefited in the previous regime must contribute to the welfare of the poorest Chileans who have been left aside by the previous regime's economic system.

Congressional Delegation Travels to Cuba

PY3006132290 Santiago Domestic Service in Spanish 1100 GMT 30 Jun 90

[Text] Today a group of Chilean congressmen will travel to Havana, Cuba, where they will participate in the third Latin American Air and Outer Space Policy Conference.

The delegation, which will stay in Havana until 4 July, is made up of Senators Ignacio Perez Walker and Hugo Ortiz de Filippi of the National Renewal Party; Ricardo Hormazabal of the Christian Democratic Party; Mario Papi of the Social Democratic Party; Senate Secretary Rafael Eyzaguirre; and the Senate Finance Committee Secretary Cesar Berguno.

The Chamber of Deputies will be represented by members of the Public Works, Transportation, and Telecommunications Committees: Antonio Horvath, Jose Maria Hurtado, Rene Manuel Garcia, Enrique Taladriz, and Federico Ringeling of RN; Jaime Orpis of the Democratic Independent Union; Octavio Jara and Akin Soto of the Party for Democracy.

It was also disclosed that the senators have a pending invitation to visit Mexico, so it is quite likely that they will not return to the country on 6 June with the deputies.

Colombia

Barco Says U.S. Support Against Drugs Not Enough

PA0207143890 Bogota Radio Cadena Nacional in Spanish 1227 GMT 2 Jul 90

[Text] Riohacha—President Virgilio Barco Vargas has again accused the United States of not conducting a real struggle against drugs, noting that his government has not yet seen the aid promised by the U.S. Government.

Asked about U.S. support to our country, Barco said that only verbal support has been received. They have recognized that we are making great efforts, but there has been nothing substantial yet.

They might have a genuine interest, but—as happens everywhere—it may be a matter of time before support is received, and surely the next government will receive it faster.

Barco made that statement at a news conference following a ceremony commemorating the declaration of La Guajira as a department.

Barco Vargas noted his government efforts to develop this part of the country. He said that by the end of this year the central government will have invested more than 18 billion pesos.

The people of the coast should not be told half-truths or given rigged figures, Barco said in his speech.

Barco praised the results achieved by the Colombian-Venezuelan neighbor commissions, stressing that their work has strengthened the integration, cooperation, and unity between the two countries.

Gaviria Seeks To Balance Armed Forces

PA0107002790 Bogota EL TIEMPO in Spanish 25 Jun 90 pp 1A, 8A

[Report by Luis Canon Moreno]

[Text] Colombian President-elect Cesar Gaviria Trujillo has already started to take the necessary steps to fulfill one of his presidential campaign pledges: to return the monopoly of power to the state.

However, there is a large gap between the pledge and its fulfillment. The task is not at all easy when we envision a panorama of violence in which there are so many—and such varied—groups of criminals.

There are the guerrillas—the Revolutionary Armed Forces of Colombia [FARC] and the National Liberation Army [ELN]—who have spread death and destruction

for three decades without any indication that they are willing to embark in the adventure of disarmament and the freedom of expression.

There are also the groups of drug traffickers who, in barely seven years and after establishing financial security, underwent a negative transformation. They progressed from the assassination of individuals to the murder of groups of people, and they turned the hired assassin into a highly trained terrorist.

There are also the paramilitary groups which, originating from the self-defense units, have killed many members of the Patriotic Union and other leftist sectors. As the Prosecutor General's Office has reported, sometimes these groups are in alliance with drug traffickers and sometimes they carry out the work of some sectors of the Armed Forces.

According to police figures, this violence cannot be ignored: a massacre (over six fatalities) every 72 hours, an accumulated average of 58 daily assassinations, and a kidnapping every eight hours.

The task is very difficult with so much violence and with a dirty war that has now gone beyond ideological limits. Police self-defense units are confronting hired-assassin gangs in urban centers such as Medellin.

In this framework, the changes in the Armed Forces fostered by Gaviria seem to seek a balance between a military establishment capable of making the violent ones behave and a structure of generals who can defend the peace agreements and take a firm stand against the paramilitary groups and any other far right organization.

In what would amount to a three-band strike in the jargon of billiards, the president-elect requested the removal of generals Nelson Mejia, general commander of the Armed Forces, and Jesus Armando Arias Cabrales, commander of the Army. The first strike of the ball looks like an invitation to the military institution to stop its war propaganda suggesting victory over the armed insurgents and instead militarily defeat those who undermine peace.

During the past two years, more than once, Gen. Mejia promised to finish off the rebels. However, FARC increased the number of its fronts and the ELN dynamited the Cano Limon-Covenas oil pipeline a hundred times.

Gen. Mejia was replaced by Gen. Luis Eduardo Roca. Gen Mejia is a serious man of few words who was devoted to his military duties. He was an instructor at the School of the Americas antiguerrilla training center for Latin America's officers during the past two decades. He acquired his experience in the arduous artillery branch. He is perhaps one of the generals who has been granted the largest number of decorations for his work in preserving public order.

Roca is also of a conciliatory nature. He could not only organize a hard line against the guerrillas while defending the peace agreements, but he could also organize the efforts of the Police, the Administrative Department of Security [DAS], and the Army in the war against narcoterrorism, particularly because the disagreements between some Army generals, the police high command, and the DAS director are too well-known.

This is why drug trafficker Pablo Escobar Gaviria managed to escape during the famous "Cocorna Operation" conducted in the middle of Magdalena Department on 16 November while the opposing parties blamed each other for the failure.

For instance, in Medellin—which is shuddering under the weight of 3,000 assassinations so far this year—General Harold Bedoya, 4th Infantry Brigade Commander, the elite police section, the DAS, and the metropolitan police command are all working individually.

Not once during the past nine months of the all-out war against drug traffickers in this city have the Army and the police held a joint operation.

Each group has worked individually, presented its own theories of the paid killers and narcoterrorists organizations, and claimed its own victories.

The second strike must be aimed at having the Armed Forces equidistant between the far leftists and the far rightists.

With his actions at the Palace of Justice on November 7, 1985 and as military commander in Uraba, Gen. Arias Cabrales embodied a military strategy of doubtful results. In addition, Gaviria had loudly criticized the way in which the palace was taken over by the military at the Chamber of Commerce .

The Prosecutor General's Office even filed charges against Arias for his actions at the palace. While Arias was military commander in Uraba, the violence did not stop and trouble escalated in the midst of a controversy over the issuing of identity cards to banana workers, a move which did not succeed.

In addition, and while generals Arias and Mejia held the top positions in the military hierarchy below the Defense Minister, the Armed Forces were shaken by scandals such as that of Altos del Portal, where four civilians were killed in an operation conducted in northern Bogota in July 1989.

In the court martial that followed seven soldiers were found guilty and sentenced for manslaughter, among other things.

In view of all this, Gaviria will try to emphasize that from now on failure to follow military procedures will be the responsibility of the men who hold the top posts in the Armed Forces.

Meanwhile, there were changes in the National Police as well. Deputy Director General Carlos Arturo Casadiego

Torrado was asked to resign. Casadiego had been one of the men closest to the antidrug operations. He has personally headed the operations in Medellin more than once over the past six months.

His efforts, however, have failed to yield the desired results. The criminal mafias have assassinated 140 policemen in Antioquia so far this year. This figure gives an idea of the cartel's paid killers' ability to move from one place to another. Gen. Casadiego was replaced by Gen. Rafael Sanabria, who had gained experience in the war against the mafias while heading the Drug Directorate.

Finally, and as part of the president-elect's plan to restructure the intelligence services, the transfer of Colonel Oscar Eduardo Pelaez Carmona, who headed the Directorate of Judicial Police and Investigations [DIJIN], has already been confirmed. Everything seems to indicate that the tasks in this field will be focused in a single direction.

So while policemen were being gunned down and car bombs were going off, Gaviria promised during his campaign that if the narcoterrorists and the guerrillas failed to join the peace process, they would be annihilated.

Beyond the Armed Forces' permanent efforts in the war fronts, his assertion points to achieving concrete results, as it is his duty.

Government Increases Punishment for Terrorists

PA2906153590 Bogota Inravision Television Cadena 1 in Spanish 0012 GMT 29 Jun 90

[Text] As part of the struggle against violence, the national government has decreed a new state of siege. It has increased prison sentences and fines for kidnapping and terrorist actions when the crimes affect relatives of the president of the Republic, ministers, state officials, political and labor union leaders, church leaders, diplomats, journalists, or political candidates. The same decree bans the use of escorts not authorized by the Defense Ministry and establishes that all heads of households must report their address to the police.

Army Offers Reward for Escobar Gaviria

PA3006032690 Bogota Inravision Television Cadena 2 in Spanish 0012 GMT 30 Jun 90

[Text] Using strong words and harsh language, Brigadier General Harold Bedoya, 4th Brigade commander, accused Pablo Escobar today of being responsible for all the massacres in Antioquia, and offered 200 million pesos to anyone who helps capture him.

[Begin Bedoya recording] There can only be repudiation in view of the violence by a genocidal madman. The reward is 200 million pesos and absolute confidentiality. We are searching for Pablo Emilio Escobar Gaviria, I.D. card 8-345-766, born in Envigado, son of Abel and Ermilda, married to Victoria Eugenia Henao Ballen, and father of Nicolas Enrique, Juan Pablo, and Manuela. Can there be anyone more cowardly who, like the insane Pablo Escobar Gaviria, would be capable of murdering four presidential candidates, magistrates, political leaders, judges, journalists, an attorney general, and [words indistinct]. Can there be anyone more cowardly who, like the insane Pablo Escobar Gaviria and his henchmen, would be capable of perpetrating massacres like the one at Oporto Bar—perpetrated against unarmed young students and citizens, also born in Antioquia, who have been denied the right to pursue their plans and goals—just to satisfy his thirst for hatred, blood and vengeance. The unfruitful race of crime and violence unleashed by the madman, as his former henchmen and cronies derogatorily call him, demands the joint efforts and determination of all Colombians to find this monster's hideout. [end recording]

Group 'To Kill Anybody on the Streets After 2100'

PA3006235990 Hamburg DPA in Spanish 2245 GMT 30 Jun 90

[Text] Medellin (Colombia), 30 Jun (DPA)—A climate of tension and anxiety has taken hold of Medellin following the circulation of a message written by a criminal band that is threatening to kill anybody on the streets after 2100 (0200 GMT). The vicious self-styled "Peaceful Aburra Squad" (named after the region where Medellin and several nearby towns are located) has announced that it will attack anybody who is not in his home early.

According to the group, it will shoot at anybody, "regardless of their identity, status, or social class, or if they are honest, a working citizen, or corrupt." An authorized spokesperson has said that the source of the message will be investigated to establish if this group exists or if it comes from a group wanting to heighten the tension prevailing in this city, which in recent weeks has been the site of an unprecedented crime wave.

On the outskirts of Medellin, heavily armed masked men have murdered hundreds of people in crimes that no group has claimed responsibility for. According to the authorities, the untold number of murders are the work of the Medellin Cartel, the world's largest drug trafficking gang, but the cartel drug lords have blamed the murders on police dressed as civilians. The most recent terrorist operation in Medellin took place on 28 June when a car bomb loaded with 150 kilos of dynamite exploded, killing 14 people and wounding 32. Over the past few days, approximately 300 Medellin-based hired killers (it is estimated that there are over 6,000 of them in this city) have proposed a peace plan to the government, whereby they pledge to stop their crimes in exchange for a socioeconomic development program to be implemented in poverty-stricken areas where they live.

Army Breaks Up Gangs of Paid Assassins

PA0107130390 Bogota Inravision Television Cadena 2 in Spanish 0000 GMT 30 Jun 90

[Text] In connection with Operation Centurion, Medellin's 4th Brigade today broke up five gangs of paid assassins. Nine men and one woman who belonged to the Fumbas gang; one of the chieftains of Los Mecatos or El Playon gang; one member of the Los Carlos gang; two members of El Loco Uribe gang; and nine members of Los Quicas gang were arrested.

The authorities seized a large number of weapons from these 24 [as heard] gang members.

In making this announcement, the 4th Brigade reminded the citizens of Medellin that from 1800 to 0600, it is prohibited to travel in vehicles without the interior light being on, and during those hours, motorcycles with passenger seats are prohibited.

Dialogue With 'Paid Assassins' Debated

PA2906175390 Bogota Inravision Television Cadena 2 in Spanish 0000 GMT 28 Jun 90

[Italicized passages are recorded]

[Text] Despite the militarization and the strict security measures that prevail in Antioquia Department and the Aburra Valley, three more policemen were murdered today.

The Anti-Paid Assassins Committee met at the Government Ministry today to discuss a proposal presented by 200 young assassins who want to join the country's civil life.

Apparently, certain disagreements appeared within the Anti-Paid Assassins Committee today regarding the response that the government will give to a group of Medellin City paid assassins who told Medellin authorities that they want to change their lifestyles. The new Armed Forces commander asserted that he prefers the dialogue over repressive solutions.

[Reporter] *Would you agree to hold a dialogue with the Medellin Cartel paid assassins?*

[General Luis Eduardo Roca] *Anything that leads people to peace would be very important for the country.*

[Reporter] *What about a dialogue?*

[Roca] *That is part of the peace process.*

Colombian Attorney General Alfonso Gomez flatly rejected that possibility.

[Gomez] *Paid assassins are people who kill and murder for money. And people who kill for money must be punished by criminal law and by the norms that the Criminal Code establishes for these cases.*

[Reporter] *In other words, are you saying that the government cannot hold talks with paid assassins? Are you saying that if they turn themselves in, they should be condemned and sent straight to jail?*

[Gomez] *Sometimes it is possible to hold a dialogue, but that dialogue should be held in the courts and while the defendants make their statements.*

All the members of the Anti-Paid Assassins Committee, however, agreed that men become paid assassins because of their deplorable standards of living. For that reason, the committee members stated that there is an urgent need to implement a program to help those individuals rejoin Colombian society, to create more jobs, and to improve educational levels in areas such as the northeastern part of Medellin City, which is populated by paid assassins who are in the service of drug trafficking.

[General Miguel Maza Marquez, Administrative Department of Security director] *I am very pleased to see that the mayor of Medellin agrees with me. Like me, he thinks that we must seek solutions to the social problems. We are walking along the right path. Paid assassins are a phenomenon caused by certain situations. Therefore, we must claerly attack the causes of the problem.*

In any case, the disagreement between the statements by Gen. Roca Maichel and by Attorney General Gomez shows that the government has not yet made a decision regarding the way in which the groups of paid assassins should be dealt with.

2 Drug Traffickers Extradited to United States

PA0107033190 Bogota Inravision Television Cadena 2 in Spanish 0000 GMT 1 Jul 90

[Text] Two individuals linked to drug trafficking and wanted in U.S. courts for drug trafficking and money laundering were extradited to the United States today. Myriam Ortiz filed this report from the El Dorado Airport in Bogota:

[Begin Ortiz recording] Luis Cabarcas Acosta and Jose Rafael Tomas Juliao Fernandez were transported at 1500 today from the El Dorado International Airport in Bogota to the Howard Base in Panama aboard a U.S. plane that was headed to the United States.

According to the authorities, Cabarcas Acosta is wanted by a North Carolina court for cocaine trafficking and money laundering while Juliao Fernandez, who was captured in Barranquilla, is being tried as prisoner in absentia by a Florida court.

These new extraditions to the United States took place after Cabarcas Acosta and Juliao Fernandez, along with three other Extraditables, were unexpectedly transferred to the La Picota National Penitentiary on 27 June owing to a decision by the Justice Ministry.

Since the government of President Barco resumed extraditions via administrative channels, as a result of the

assassination of Luis Carlos Galan Sarmiento, 13 Colombians have been turned over to U.S.. The first one was Eduardo Martinez Romero, Medellin Cartel finance chief, who was sent on 6 September 1989, and the last one was Luis Fernando Gutierrez, who was extradited on 28 March 1990 to a federal court in the State of Arizona.

Meanwhile, 13 other individuals housed at the DIJIN [Directorate of Judicial Police and Investigations] retention room are ready to be extradited. [end recording]

Authorities Raid Medellin Cartel Cocaine Complex

PA3006032390 Paris AFP in Spanish 0200 GMT 30 Jun 90

[Text] Bogota, 29 Jun (AFP)—A Medellin Cartel cocaine complex that had been operating in the Colombian jungle of Vichada Department has been discovered and raided by the police, according to a report issued on 29 June in this capital.

During the operation the authorities seized 200 kg of cocaine ready for shipment to the United States, four arrobas of coca leaves, and an enormous amount of chemicals used to manufacture the narcotic.

The cocaine complex was located in a moutain canyon in the remote Vichada Department, a vast livestock and agricultural region .

A police spokesman said that there were no arrests because the noise from the approaching helicopters' motors allowed the people operating the complex to escape.

"The operators escaped into the jungle," he added, confirming that the complex was owned by the Medellin Cartel, which is led by Pablo Escobar.

Guerrilla Group Attacks Valencia, 3 Killed

PA2906140790 Bogota Radio Cadena Nacional in Spanish 1230 GMT 29 Jun 90

[Telephone interview with Colonel Felix Gallardo Angarita, commander of the Cordoba Department Police, by unidentified reporter; place not given—live]

[Text] [Reporter] A guerrilla column last night seized the town of Valencia, one of the most important in the highlands of Cordoba Department. Colonel, can you tell us what happened in Valencia?

[Gallardo] At approximately 2230 last night, about 80 subversives attacked Valencia Municipality, mainly the police substation located on the road to Uraba. They also attacked the Agrarian Bank and the municipal palace. The exchange of gunfire with the subversives lasted until approximately 0330. Our reinforcements arrived at 0400. The Cordoba Police operations commander is already in the area, evaluating the situation, which fortunately is favorable for us.

[Reporter] What is the toll after five hours of fighting between the police and the guerrillas in the town?

[Gallardo] No policemen were killed, but unfortunately three civilians were killed. Two of the people had the last name of Pozo, and the other dead civilian was identified as Carlos Conejo. The subversives also kidnapped a civilian identified as Raul Alvarez. The Agrarian Bank was blown up, but they were unable to open the safe. Other buildings were burned down, and they stole merchandise. The old and municipal palaces were destroyed. They also stole food and medicine. At this time, some 60 policemen are carrying out operations in the town's rural area. The situation is under control after the group's actions.

[Reporter] Did they leave any messages indicating to what group they belong?

[Gallardo] No, but they are part of the subversive groups that have hit Cordoba Department so hard in the past few years. I cannot tell you for sure to which subversive group they belong, but we are evaluating the situation. We must be cautious in these matters because at this time the Colombian Government and people want to attain peace, and there are groups that are accepting such efforts in the country. I do not think those who—as in this case—are against such efforts will be able to destabilize the country and change the Colombian authorities and people's desire for peace.

Patriotic Union Member Murdered in Northwest

PA3006201490 Madrid EFE in Spanish 1947 GMT 30 Jun 90

[Text] Bogota, 30 Jun (EFE)—Police sources reported today that a group of unidentified people have murdered Fernando Antonio Quiroz Jaramillo, member of the leftist Patriotic Union and former mayor of Venecia, Antioquia Department, in northwestern Colombia.

The police reported that when Quiroz was about to enter his residence, he was intercepted by unidentified persons who shot him several times and then fled.

Quiroz was the first democratically-elected Venecia mayor. He was in office until 1 June when the two years of his constitutional mandate expired.

Since the foundation of the Patriotic Union in November 1985, more than 1,000 of its militants, including two presidential candidates—Jaime Pardo Leal, in October 1987; and Bernardo Jaramillo Ossa, on 23 March of this year—have been assassinated.

Episcopal Conference Adopts Stance on Violence

PA3006171090 Bogota Inravision Television Cadena 2 in Spanish 0000 GMT 29 Jun 90

[Report by Amparo Ponton; italicized passages are recorded]

[Text] Cardinal Lopen Trujillo today revealed that 100 priests who work in the northeastern neighborhoods of

Medellin are drafting a document that analyzes the violent situation generated by hired assassins. The cardinal explained that this document will be the basis for a campaign for dignity and respect for life.

[Cardinal Lopez Trujillo] *We want to help them, in the name of Jesus Christ, we want to redeem them. I am giving complete support to our parish priests who are working zealously on this at times at great risk and amid threats.*

The bishops stated that repression is not the only road to end the violent situation under which Colombia lives today.

[Monsignor Dario Castrillon Hoyos, Bishop of Pereira] *This does not mean that the public forces, enforcers of the nation's will and the Constitution, should not fulfill their duty of stopping crime. However, the specific solution to this problem cannot be solely repressive action.*

Violent actions like those seen in Medellin are defined by the bishops as cross-fire, in which security and police officers are not exempt.

[Cardinal Lopez Trujillo] *There could be persons in these institutions who are contradicting that spirit, but this does not mean that we have the right to go after them.*

The 11 archbishops and 67 bishops attending the Colombian Episcopal Conference today stated that the threats and killings, which also affect the church, will not stop them from doing their work.

Cuban Decision To Affect About 40 Exporters

PA0107144890 Bogota EL TIEMPO in Spanish 27 Jun 90 p 8-A

[Text] According to the National Exporters Association (Analdex), about 40 small and medium-sized Colombian companies could face serious problems as a result of the suspension of payments decreed by Cuba as of 14 June.

This involves companies that make products to specifications and by special request to help their Cuban importers operate machines and equipment from the USSR.

About $4 million in goods and equipment were at the ports and ready to be shipped when the moratorium was decreed. Their producers are now fervently seeking direct agreements to export them on their own and at their own risk.

Before the moratorium, they could ship their products knowing that they would be paid under the provisions of a payment agreement signed by the central banks of the two nations in 1976.

The indefinite suspension of drafts by the National Bank of Cuba postponed a $60 million plan to export prefabricated houses that involves large companies such as Eternit and Pavco.

Holasa, whose sales to Cuba reached $16 million over the past two years, is another important company the business of which will be adversely affected.

Colombia was mainly exporting to Cuba electric devices to generate and distribute electricity to the countryside and cities and the entire line of spare parts and accesories, including minimum-gauge cables and sockets.

The Cuban attitude has expanded the blockade against it; Venezuela, Argentina, Brazil, Mexico, and Canada had already suspended their exports.

The Tin and Rolled Steel Company (Holasa) has suspended its shipments to Cuba until it receives guarantees that it will be paid for its exports.

As long as the agreement between the National Bank of Cuba and the Bank of the Republic of Colombia is suspended, the Antioquia Department company will ship no more merchandise to the island.

Before the agreement was suspended, Holasa had shipped 3,000 of the 5,400 tons of tin that a contract calls for.

Cuba owes Holasa $6 million payable within a year. The deadline has not yet expired.

The vessel carrying the other 2,400 tons, valued at $2.3 million, should have left for the island on 20 June. The Cuban Government suspended payments to Colombian exporters for merchandise valued at $31.4 million.

The suspension has been in effect since 14 June, and the balance in arrears totals $3.4 million. By year's end, Cuba must pay another $27 million.

Federico Clarkson, director of the Exports Promotion Fund (Proexpo), said that we must negotiate with Cuba to ensure that it pays what it owes and study the possibility of importing certain items from Cuba to achieve a trade balance.

He explained that trade with Cuba is regulated by payment agreements, which have been in force since 1976, through the two countries' central banks. They state that any exchange deficits must be handled with convertible currency.

Early this year Cuba delayed payment of a deficit in its trade with Colombia for several months and this is happening again.

Clarkson said that some exporters who want to sell to Cuba and were unable to obtain the support of the Bank of the Republic of Colombia requested political risk insurance in case the Cuban Government declares total insolvency.

The official pointed out that we have been asking Colombian exporters to be prudent in their deals with Cuba for more than a year, because there was the precedent of Cuban Government difficulties in paying Mexican and Canadian exporters.

Colombia initially broke diplomatic relations with Cuba in 1961 as a result of an OAS decision, and resumed them the next decade, but broke them again in 1981 after denouncing that the Havana Government was helping Colombian guerrillas.

Colombians exports to Cuba totalled about $32 million last year and the Bank of the Republic recommended reducing them to $25 million in view of the financial difficulties faced by the Fidel Castro Government.

Ecuador

Kidnapped U.S. Citizen Released Unharmed

PA3006000590 Madrid EFE in Spanish
2355 GMT 29 Jun 90

[Text] Quito, 29 Jun (EFE)—U.S. Citizen Scott Heimdal, who was kidnapped two months ago at the Ecuadoran-Colombian border, was released this afternoon and is safe and sound, Luis Felix Lopez, acting government (interior) minister, has announced.

Paraguay

Foreign Minister Reviews U.S., Asian Trips

PY2906170690 Asuncion EL DIARIO in Spanish
29 Jun 90 p 10, 11

[All quotation marks as published]

[Text] Foreign Minister Luis Maria Argana has told our newspaper that "it was a very fruitful mission from every viewpoint, especially in terms of president-to-president relations. There is no doubt about the importance of the meetings with U.S. President George Bush and former President Ronald Reagan and their demeanor toward President Rodriguez."

"This is all the more clear because the United States has decided to support the consolidation of our democracy and our understanding of the process. It is clear that democracy is not implemented merely with a political vocation, it also needs the development and the welfare of the people."

The foreign minister spoke with EL DIARIO following the return of President Andres Rodriguez and his entourage on the morning of 28 June from the United States, Nationalist China (Taiwan), and South Korea. A few minutes after returning, Rodriguez reassumed his post, relieving Finance Minister Enzo Debernardi, who was acting foreign minister during the past few days.

Asked about what had happened in Taipei and Seoul, the foreign minister indicated that "it was a total success because it comes within the infrastructure, and once again it constantly reveals that meetings at the presidential level, because the outlines of any possible future common action are discussed." [sentence as published]

Answering another question, Argana confirmed that "he will participate in the Southern Cone Cooperation and Integration Conference that will take place in Buenos Aires on 4-6 July. Argentine President Carlos Saul Menem and the former presidents of Argentina, Raul Alfonsin; of Brazil, Jose Sarney; and of Uruguay, Julio Maria Sanguinetti, and other Latin American and European personalities will also participate in the conference.

PRF Senator Fernando Vera Comments on Bush Plan

PY3006174290 Asuncion HOY in Spanish
30 Jun 90 p 6

[Text] Asked about the U.S. President's statement, Senator Fernando Vera, of the Febrerista Revolutionary Party [PRF], said: "It is the Republican Party that is now ruling in the United States. The Republicans are very capitalistic, and they favor free markets and the liberalization of the economy, which causes the contraction of the state. This is partly achieved by privatizing state companies. There are countries that have an excess of state companies, and privatizations are recommended in those cases. But privatizations are not justified in Paraguay."

George Bush has proposed a reduction of the Latin American foreign debt and a promotion of investments based on the opening of Latin American countries and privatization programs.

Vera said: "I do not believe private companies are necessarily better or more efficient than public companies. It all depends on how they are managed in order for state companies to be as efficient as private companies."

He said that virtually no privatizations are justified in Paraguay. He added: "Not even APAL [Paraguayan Alcohol Administration] can be charged with generating a deficit, because it has profits. We can understand the concern about a government administration producing alcohol, and that it may be improved if transferred to the private sector. However, to privatize the INC [National Cement Industry] and ANDE [National Electric Power Administration], or the telephone company is inadmissible."

Alluding to several businessmen who have expressed interest in the privatization of the Social Security Institute, Vera said: "Even worse than that is to speak about the privatization of the social security system."

Labor Minister 'Optimistic' About Sanctions

PY3006185490 Asuncion EL DIARIO in Spanish 30 Jun 90 p 13

[Text] Labor Minister Alexis Frutos Vaesken has said that the Paraguayan delegation's meeting at the U.S. Congress on 27 June was positive. At the time, the Paraguayan Government requested the lifting of economic sanctions under the General System of Preferences (GSP).

After his return yesterday, Labor Minister Frutos Vaesken said: "I am optimistic about the decision to be made in August." About the position upheld by the labor centrals, particularly the CUT [United Labor Federation], which conditioned the lifting of economic sanctions, Frutos Vaesken said that the labor organizations are basically in favor of the lifting of custom barriers imposed on some Paraguayan exports to the United States.

The labor minister explained: "With or without sanctions, the Paraguayan Government policy calls for the enforcement of labor guarantees demanded by the labor organizations. Moreover, the amendment of the Labor Code is virtually a fact. It will probably be submitted to Congress in July, which means that it may be approved by the end of the year."

Part of the Paraguayan delegation that traveled to the United States to attend the meeting returned yesterday. We now have to wait to see if the Bush administration decides to include Paraguay in the GSP. In 1987, Paraguay was excluded from the GSP because of human rights violations and the nonobservance of human rights.

Editorial Views Rodriguez Trip, U.S. Relations

PY3006001090 Asuncion EL DIARIO in Spanish 29 Jun 90 p 12

[Editorial: "New Relations With the United States"]

[Text] With the return of the president of the Republic after a two-week tour, we can appreciate the advantages that come from direct contacts between chiefs of state. Personal contacts result in advantages that cannot be normally obtained through formal ties initiated with diplomatic protocol.

The meetings President Rodriguez held in the United States with the most powerful segments of U.S. society have cleared any final possible doubts about the sincerity of the Paraguayan democratic process. This was evident in his meetings with the members of the Foreign Affairs Committees of the Senate and House of Representatives, WASHINGTON POST journalists, and the highest-ranking government officials.

In simple terms, we can say that the Paraguayan Government has passed the U.S. test. The consequences, which can be seen not only in the moral but also in the material field, may include the suspension of sanctions that prevented Paraguay from joining the Generalized System of Preferences.

Not as evident, however, is the possibility that the United States will reactivate their cooperation programs with Paraguay. These programs were suspended during the previous regime due to profound disagreements between the two countries over the human rights policy in Paraguay.

It is regrettable that this stimulating opening is taking place only as the Western powers are having to meet the extremely important commitments they have with the East European countries that are leaving the impoverished and rigid communist system. This situation may reduce the resources that these powers—among them the United States—could have available for Latin America.

This is indeed an adverse situation, but it can be made to help Paraguay through continued efforts to improve our relations with the United States. It is time to recover lost time and to make our best effort in this attempt. We cannot forget that Paraguay does not have necessary human resources—quantitatively or qualitatively—to meet the challenges presented by this new stage of Paraguayan-U.S. relations.

The Rodriguez-Bush meeting, which was marked by cordiality and frankness, allows us to hope for better days in this promising field. We must take advantage of what has already been achieved and adopt all the necessary measures, including appointing the required personnel, to meet the challenges that these new times may present. This way, the advantages already obtained will be adequately exploited for the good of the country.

Peru

Vice President-Elect on Fujimori-Bush Meeting

PY2906134590 Lima Television Peruana in Spanish 1100 GMT 29 Jun 90

[Text] Change 90 First Vice President-elect Maximo San Roman said yesterday that relations between the Armed Forces and Change 90 are good. He added that President-elect Alberto Fujimori may meet President George Bush in the near future.

He also said that it is almost certain that Cuban President Fidel Castro will attend Fujimori's presidential inauguration.

[Begin recording] [Reporter] Will Change 90 work with small industries?

[San Roman] The prospects are very good. We believe that this is a sector that should be strengthened because it contributes 35 percent of the GDP, therefore I believe that its contribution cannot be overlooked. On the contrary, we have to multiply the efforts of small industries because they are the best source for creating jobs.

[Reporter] Will there be special treatment for this sector?

[San Roman] No, we will only implement the necessary measures to ensure that this sector develops normally.

[Reporter] The U.S. ambassador said yesterday that President Bush may meet Fujimori. We assume that you held a long meeting with Fujimori. What did he say about it?

[San Roman] He is very happy, very receptive, and he plans to make a special visit to meet President Bush.

[Reporter] When will the meeting be held?

[San Roman] In the near future.

[Reporter] Another issue that concerns the people is related to the Armed Forces. How are relations between Change 90 and the Armed Forces?

[San Roman] Relations are excellent, they are normal relations that should exist between a new administration and the Armed Forces. We are very proud to have an Armed Forces that can fulfill their mission.

[Reporter] Is there complete harmony?

[San Roman] Yes, there is complete harmony. They have expressed their respect for the Constitution.

[Reporter] Do you have confidence in the Armed Forces?

[San Roman] We have great confidence.

[Reporter] Is Fidel Castro coming?

[San Roman] It seems that he is coming for the presidential inauguration.

[Reporter] Has this been confirmed?

[San Roman] No, this has not been confirmed. [end recording]

Liberty Movement Leader on Party's Future

PY3006023090 Lima EL COMERCIO in Spanish 27 Jun 90 p A-5

[Report on interview with Miguel Cruchaga Belaunde, "virtual senator-elect and secretary general of the Liberty Movement," by unidentified reporter on 26 June; place not given]

[Text] Miguel Cruchaga Belaunde, the virtual senator-elect and secretary general of the Liberty Movement, said on 26 June that this political organization will not exert a systematic or sectarian opposition in Congress against the Change 90 administration.

Cruchaga said: "We could not take such a position in view of Peru's critical situation. We should cooperate to alleviate the great suffering the country is experiencing."

He said that Liberty Movement leader Mario Vargas Llosa will return to the country to resume the leadership of the movement. He added that within six months the movement's rank and file will decide whether to become a political party.

Cruchaga announced that the Social Assistance Program [PAS] will continue to provide assistance to the poorest sectors.

[Reporter] How do you view the country's situation?

[Cruchaga] As all Peruvians do. We are all concerned about the worsening of the situation, while the government is not taking any action to resolve the situation. It is a very serious situation. The president-elect's attitude, however, has created some expectations, because he has decided to reinvolve the country with international financial organizations.

[Reporter] Do you think Fujimori should have explained his government program before leaving?

[Cruchaga] I think he should have explained it. He will have to clarify certain topics during his news conferences abroad to provide specific details on his economic program.

[Reporter] Don't you think that he should have released his program in the country, rather than abroad?

[Cruchaga] I think so, but this is not the time for more criticism. Opponents should go easy on newly-elected presidents.

[Reporter] Does this mean the Liberty Movement will grant a truce to the Fujimori administration?

[Cruchaga] No, truce is too strong a word. We should go easy and allow the president to select his cabinet and teams and to explain his plans without systematic interference from his opponents. We all should try to fulfill the people's objectives and avoid disappointing them.

[Reporter] How long should this "benevolence" last?

[Cruchaga] At least until the government is installed and can explain its government program to the nation.

[Reporter] Do you think there is a similarity between Fujimori's economic program and that of the Fredemo [Democratic Front]?

[Cruchaga] We cannot call it a similarity just because those who are cooperating with the president-elect and those who cooperated with the Fredemo are exchanging information. If the guidelines of the economic policy announced by Fredemo have been accepted as the most appropriate to confront the crisis, and if the new government is beginning to include part of them in its economic measures, I would say that there is more similarity now than during the electoral campaign.

[Reporter] Will the Fredemo advocate those economic measures in Congress?

[Cruchaga] The Fredemo will support any measure that can help alleviate the country's serious crisis. We will not be a sectarian or disloyal opposition. We will not create an opposition "to get revenge." We will question and criticize the weak aspects of the policies they announce, but, in view of Peru's critical situation, we will not be a systematic or sectarian opposition.

[Reporter] When will Vargas Llosa return to the country?

[Cruchaga] He sent a note announcing that he will maintain his links with the Liberty Movement, which in the next three years will be more involved in ideological and cultural activities than in political ones. He reiterated his desire to continue as head of the movement if such a decision is made at its congress.

[Reporter] Will the Liberty Movement continue as a movement, or will it become a political party?

[Cruchaga] We want the movement to become a permanent political party. We do not know if it will keep its name, as many of us wish, or if it will be called the Liberal Party, as others have proposed.

[Reporter] Is it possible to maintain unity among the Liberty Movement, the Popular Action [AP], and the Popular Christian Party [PPC] in Congress, despite Ghersi's statements?

[Cruchaga] I think so. Fortunately these were personal statements, made by someone who has the right to do so. Top leaders of these three political organizations have expressed their wish to responsibly represent the people in Congress. I do not agree with Ghersi's statements that the AP and the PPC are responsible for Fredemo's failure.

[Reporter] Will the PAS continue its activities?

[Cruchaga] It will not be suspended. The PAS was included in the Fredemo government program. It was used in pilot projects that were financed with a substantial part of the funds designated for the Fredemo campaign. With the campaign finished, the PAS no longer has the financial support to continue its activities. We are analyzing how the PAS can continue with its mission, especially in the food and health sectors.

[Reporter] Then it will not suspend its activities?

[Cruchaga] We want this program to continue. I am personally trying to get financial assistance for the program.

State of Emergency Extended in Lima, El Callao

PY0207023490 Madrid EFE in Spanish 2048 GMT 1 Jul 90

[Text] Lima, 1 Jul (EFE) — Today the Peruvian Government extended for 30 days the state of emergency in the province of Lima and its port El Callao, because it considers its duty is "to preserve and maintain public order."

The measure has been implemented at the end of a 30-day state of emergency that the government declared at the end of May, 10 days before the second round of elections won by President-elect Alberto Fujimori, and 48 hours after a series of terrorist dynamite attacks in the Peruvian capital.

On the night of 29 June a car bomb exploded near the headquarters of the Joint Command of the Armed Forces, located on a downtown Lima avenue. The explosion damaged approximately 15 vehicles.

An explosive device was thrown at a police vehicle in the poor San Juan de Lurigancho District. There were no casualties.

On 27 June the Peruvian Government extended the state of emergency for 60 days in the departments of Ayacucho, Apurimac, and Huancavelica, southwest of Lima; the departments of Junin, Pasco, and Huanuco, located in the central mountain area; and in the jungle departments of Loreto, San Martin, and Ucayali, due to constant terrorist activities.

The territory under a state of emergency covers more than 50 percent of Peruvian territory, in which more than half the population lives, more than 22 million people.

The extension of the state of exception in Lima and El Callao was established by a supreme decree that was published in the official bulletin, EL PERUANO.

Shining Path, MRTA Clash Over Drug Trade

PY3006212890 Buenos Aires DYN in Spanish 1848 GMT 30 Jun 90

[Text] Lima, 30 Jun (AFP)—A military spokesman reported today that 50 people died on 28 June in a bloody clash between Shining Path and Tupac Amaru Revolutionary Movement (MRTA) forces in the township of Ledoy, San Martin Department, in the Peruvian Amazon jungle.

Army and police commanding officers have placed their forces on red alert in anticipation of possible Shining Path attacks on townships in the region "to gain control of the drug trade in the Upper Huallaga," according to Army and police intelligence reports.

The region accounts for nearly 70 percent of the more than 250,000 hectares used for growing coca leaves—the raw material for producing cocaine hydrochloride—in the country.

According to police spokesmen, the MRTA forces sustained heavier casualties in the Ledoy clash and apparently lost control of the "coca business." Ledoy, which is located on the right bank of the Huallaga River, is a strategic location for the drug trade.

Local residents told the state-owned newspaper, LA CRONICA, that a column of nearly 1,000 Shining Path

members inflicted a major defeat on the MRTA forces, who fled into the heavy forest. Sophisticated weapons such as grenade launchers and light submachine guns were used in the fight, witnesses said.

Security personnel started a hunt for the insurgents. Spokesmen said that the terrorists are exacting regular payments from drug traffickers for allowing them to ship their cocaine paste abroad from clandestine airfields. They are also protecting the drug Mafia in exchange for weapons and dollars.

According to a police report, peasant patrol (self-defense group) members yesterday killed two presumed Shining Path members during a patrol operation in the Cceroccoto District, Victor Fajardo Province, Ayacucho Department.

The bodies of three young men, who were presumably murdered by subversives, were found in different isolated areas of Huancayo, Junin, 315 km east of Lima.

According to reports from Huaraz, Ancash, 400 km northeast of Lima, on 29 June a column of terrorists attacked several townships in the area known as Callejon de Conchucos.

Terrorists Kill 45 People in Huanuco Department

PY3006125890 Madrid EFE in Spanish 1820 GMT 29 Jun 90

[Text] Lima, 29 Jun (EFE)—Military sources reported today that at least 45 people were killed on 26-27 June by a column of Shining Path terrorists during attacks with firearms and explosives in four townships of Huanuco Department, in the Peruvian central mountain range. A mayor, local authorities, and members of the "Peasant Patrols" (civilian militias) who oppose subversion, are among the casualties.

The bloody attack occurred on 26-27 June in the townships of Pachas, Choras, Chavinillo, and Llicllatambo, in the Dos de Mayo Province, Huanuco Department.

Sources said that the column which, included some 100 terrorists, entered Pacha in six vehicles, and after looting and destroying the city hall facilities, a health post, and public offices, gathered the authorities, among them the mayor, peasant leaders, and members of the "Peasant Patrols," and took them to Choras.

In Choras, the terrorists bombed the facilities of several organizations and identified local leaders. They gathered all the detainees and held a "kangaroo court."

Following the trial, the terrorists killed 34 people. They then headed for Chavinillo, where they killed six other people. In Llicllatambo they murdered five peasants. The military sources also reported that the terrorists kidnapped an agronomist who worked in an office of the Agriculture Ministry.

The terrorist column also dynamited bridges in Tingo Chico, Pachas, Llicllatambo and Chinchao, on the road linking this area with the city of Huanuco, capital of Huanuco Department, some 120 km from the towns that were attacked.

Police sources have reported that two policemen were injured during a 28 June attack by Shining Path terrorists on a car checkpoint in Lechemayoc, in La Mar Province, in the Andean Department of Ayacucho.

It has been reported from Huancayo that around 50 schools have not started classes in Concepcion Province because terrorist attacks were perpetrated against most of them. Huancayo, capital of Junin Department, in the central mountain range, is 315 km east of Lima.

On 27 June, the Peruvian Government extended the state of emergency for 60 days in nine departments, among them Huanuco, Ayacucho, and Junin, due to terrorist activities.

According to a congressional commission that analyzes the situation, the political violence in Peru has claimed the lives of more than 20,000 people since the Shining Path terrorist organization began its armed struggle in 1980, and has inflicted damage amounting to approximately $17 billion.

President-Elect Fujimori Visits Japan

WA0207110990

For Japanese reportage on the five-day visit of President-elect Fujimori to Japan on the second leg of a three-nation pre-inauguration tour, including meetings with political and economic leaders, see the Japan section of the 2 July East Asia DAILY REPORT and subsequent issues.

Uruguay

Further on Lacalle Reaction to Bush Announcement

PY2906131990 Montevideo Radio El Espectador Network in Spanish 0930 GMT 29 Jun 90

[Text] President Luis Alberto Lacalle has noted the significance of the recent announcement made by President George Bush in which he outlines measures to step up investments and trade with Latin America. Lacalle also said that the U.S. announcement causes what he has labelled a sense of optimism and that it neutralizes the fatalist attitude that many Latin American people have adopted.

President Lacalle made the following comments after discussing the announcement with President Bush:

[Begin Lacalle Recording] My instinctive reaction this morning was to phone President Bush in view of the significant message he has addressed to all of Latin America. We believe that the U.S. Government

announcement has a great symbolic value. First, I would say that it neutralizes the fatalist attitude adopted by many Latin Americans who thought that the developments in Europe would capture the world's attention and leave Latin America neglect. [Words indistinct]. This is the first point I thought worthy of mentioning to (?President Bush over the phone). (?President Bush has forced the world to turn toward Latin America,) [words indistinct] its foreign debt problems and regard it as a land of opportunities and hope. (?Second), it is a message we regard as very significant because it crowns a series of initiatives, among which is the upcoming visit by President Bush to Latin America next September.

Therefore, we want to say that we have a sense of optimism and hope. We have great hope that this announcement will encourage domestic changes in all South American countries, in our country, and shows us that there is still a place for us in the world if we are willing to adjust to it. This place in the world is one of progress, work, and job opportunities for many more Uruguayan citizens and many more Latin Americans within our continent. [end recording]

Montevideo Poll Gives Government Low Rating

PY2906212490 Madrid EFE in Spanish 0254 GMT 29 Jun 90

[Text] Montevideo, 28 Jun (EFE)—According to poll results released today, the majority of Montevideo's residents do not approve of the first 100 days of the Uruguayan Government headed by Luis Alberto Lacalle. The poll, which was conducted by "Equipos Consultores," the company that correctly predicted the results of the November elections, indicates that the work of the administration received the approval of 16 percent of the people, while 46 percent said they disapprove and 38 percent made neutral comments.

The same poll shows that people have a more positive attitude toward Congress, the work of which was approved by 18 percent and disapproved by 27 percent, while 37 percent abstained from choosing either of the two options.

The government is implementing a strict economic adjustment program that includes tax increases and cutbacks in real salaries in 1990. President Lacalle has said that he would rather pay this high price at the beginning of his administration so the country will be in better condition by the end of his term in 1995.

This poll, however, does not reflect the opinion of all Uruguayans; it does not take into account opinions from interior towns or rural areas, where President Luis Alberto Lacalle obtained majority support in the November elections.

Venezuela

Commission Appointed To Study Bush Proposal

PA3006011590 Caracas Venezolana de Television Canal 8 in Spanish 0013 GMT 30 Jun 90

[Text] Venezuelan Foreign Minister Reinaldo Figueredo Planchart announced today in Miraflores Palace that President Carlos Andres Perez has appointed a commission, comprised of the ministers of finance, Cordiplan [Office of Coordination and Planning], FIV [Venezuelan Investment Fund], energy and mines, and—of course—foreign relations, to carefully study U.S. President George Bush's proposal for the Latin American [foreign debt] reduction and investment plans.

Perez Denies Nation Plans To Leave OPEC

PA0107001790 Madrid EFE in Spanish 2217 GMT 30 Jun 90

[Text] Caracas, 30 Jun (EFE) — Venezuelan President Carlos Andres Perez said today that Venezuela has no intention of withdrawing from OPEC. Perez said the recent comments on the possibility of Venezuela leaving OPEC and becoming an independent oil exporter are due to the increasing concern among some media about the recent drop in crude oil prices.

The Venezuelan president also said his country is faithfully complying with the production quotas assigned by OPEC and has never exceeded them.

OPEC members themselves can be certain that Venezuela has and will continue to faithfully comply with the regulations adopted by this historic organization. OPEC has represented a great step toward demanding just prices for our products.

Perez said that OPEC is struggling to fully discipline all of its members. He added that Venezuela would not undertake any irregular actions in this respect.

During the most recent OPEC meeting held in Vienna, Austria, on 3 May, the country's daily quota of 1,945,000 barrels of oil assigned in November 28, 1989, was cut by 15,000 barrels.

The reduction, which has also affected 13 other OPEC members, was aimed at stabilizing the price of fuel given the continuous decline in prices due to overproduction by some Persian Gulf countries.

This month, Venezuelan oil extraction operations were working at full capacity, at an estimated 2.5 million barrels a day to verify operational levels. However, surpluses were stored and not sold so as not to exceed the quota.

Regarding Venezuela's withdrawal from OPEC, proposed as a hypothesis by the authorities of the state enterprise Venezuelan Petroleum, Inc. (PDVSA), Perez said that PDVSA has to respond to the policies drafted by the central government.

The PDVSA hypothesis calls for eliminating the political aspects of being an OPEC member and instead focusing its operations strictly on trade prospects.

Venezuela was one of the countries that created OPEC in 1960, and in 1976 it nationalized the fuel industry. In 1989, however, it opened its doors to foreign investments in some sectors like the gas industry.

Nicaragua's Dreyfus on Debt, Bush Proposal

PA3006011390 Caracas Venezolana de Television Canal 8 in Spanish 0011 GMT 30 Jun 90

[Text] Nicaragua will seek the formulas to cancel its accrued debt with Venezuela, it was reported here by Nicaraguan Foreign Minister Enrique Dreyfus. He added that his country also seeks to renew its oil supply from the Venezuelan Government. Nicaragua owes Venezuela $300 million and part of his official visit will include normalizing financial relations and seeing what Nicaragua can do to refinance its debt with our country.

In addition, Foreign Minister Enrique Dreyfus said he wanted to publicly state his gratitude to President Carlos Andres Perez and the Venezuelan Government for their efforts, contributions, and effective support in his country's democratization process. This is, according to Foreign Minister Dreyfus, an unpayable moral debt that Nicaragua will always have with Venezuela.

Referring to this, he emphasized the demobilization work carried out by Venezuelan troops in Nicaragua.

[Begin Dreyfus recording] Members of the Venezuelan battalion that helped in the demobilization have just returned. The organization was mainly handled by military officers from all parts of the world. The first, second, and third commanders were Spaniards, but the real work was carried out by the Venezuelan battalion, which earned the sympathy and gratitude of the Nicaraguan people.

A nice and beautiful ceremony was held—I do not know if it was broadcast here—to state the recognition of the Nicaraguan Armed Forces, people, and government. Some decorations were given out and I think this is one of the few times that decorations are not given for an act of military courage but for a civilian act of peace and courage. [end recording]

Talking about the Bush administration's proposal, the Nicaraguan foreign minister said that his country will carefully analyze the proposal before issuing an official statement.

Suriname

President Shankar Announces Emergency Program

FL2906145190 Paramaribo International Service in English 1730 GMT 28 Jun 90

[Text] President Ramsewak Shankar last night through radio and television presented the emergency program of the government. The implementation of an emergency program has been announced in the 1988 government declaration. The program, which will cost some 100 million guilders, includes guarantees for a regular food supply and an efficient distribution of the commodities, among other things. Improvement of the infrastructures in the public transport are other points included in the action program. The emergency program of the government further deals with improvement of the health care, while inputs for the production sector will be guaranteed.

President Shankar expects that it will take two years to carry out the emergency program. A steering committee will be installed to coordinate the implementation of the program, said the president last night in his television and radio address. According to the head of state, the financing of the emergency program will come from government funds.

Jungle Commando Leader Threatens Response to Army

FL2906193490 Paramaribo International Service in English 1730 GMT 29 Jun 90

[Text] The current leader of the Jungle Commando, Johan Castro, has threatened to respond to the recent actions by the National Army. Two weeks ago, the Army took over the bauxite town of Moengo. Moengo had been occupied for eight months by the Jungle Commando.

Castro says in a statement that the commander in chief of the Armed Forces, President Ramsewak Shankar, has stagnated the peace process in ordering the National Army to attack Moengo. The president has, with this, shown his real identity and openly chose the side of the Army, said the current leader of the illegal armed group.

The president was not available for comment this morning.

Castro replaces Ronnie Brunswijk, who recently left for Holland via French Guiana and France. Castro says that the Jungle Commando destroyed economic objects in Moengo in reaction to the attacks by the National Army. The group is discussing its response to the military actions, which were ordered by President Shankar, says Castro in the press statement.

In the meantime, the SURINAME NEWS AGENCY says that Castro is reportedly being treated in French Guiana for wounds he received during a fight with another member of the Jungle Commando leadership.

Ex-Jungle Commando leader Ronnie Brunswijk is currently in Holland, and yesterday held talks with members of the Standing Committee for Foreign Affairs of the Dutch Second Chamber.

Military Authority Denies Army-Government Crisis

FL2906192590 Paramaribo International Service in English 1730 GMT 29 Jun 90

[Text] The Military Authority has in an open letter yesterday to President Shankar said there is no power crisis between the Army and the government. The Army leadership expressed the hope that the letter will help to clear up the misunderstanding about the so-called power crisis. The Military Authority said that the government and Ravaksur [Council of Trade Union Federations] can concentrate on the real problems facing Suriname.

The Council of Trade Union Federations in Suriname, which is currently engaged in industrial action, has in its main demand called on the government to solve the power crisis. The government has not denied the existence of this problem but said time is needed to solve it.

In the open letter to the president, the Military Authority said it is not interested to be part of the political administrative order. Finally, the Army leadership said, there are indeed differences of opinion with the government on the questions of terrorism and the illegal drugs trade.

Ravaksur Presidium Member Hendrick Sylvester has yesterday expressed amazement at the letter from the Military Authority. There is indeed a power crisis, and this forms the basis for almost all the problems in the country, said Sylvester.

Military Not Interested in Political Power

FL2906142490 Bonaire Trans World Radio in English 1130 GMT 29 Jun 90

[Text] Suriname's military command has released an open letter to President Ramsewak Shankar. The letter says the military has no interest in gaining political power. It also denies reports of a power struggle within the civilian government. The release of the letter comes in the midst of a strike by the Surinamese Labor Council. One of the council's demands is that the Army not interfere in domestic affairs.

Brunswijk Calls for Bouterse's Dismissal

FL2906153790 Paramaribo International Service in English 1730 GMT 28 Jun 90

[Text] The SURINAME NEWS AGENCY, SNA, has reported that ex-Jungle Commando leader Ronnie Brunswijk said in Holland that the only solution to the problems in Suriname is the dismissal of Army Commander Desi Bouterse and his staff. According to the SNA report, Brunswijk further stated that better equipping the Jungle Commando in order to get rid of Bouterse will not yield results. The ex-Jungle Commando leader also said that Holland still has a great responsibility for what's happening in Suriname. He declared that he is, therefore, now in Holland to discuss the problems in Suriname and find solutions to them. The SNA report said that for today, talks between Brunswijk and the standing committee for foreign affairs of the Dutch Second Chamber, has been scheduled.

Government To Auction Foreign Currency

FL2906150890 Paramaribo International Service, in English 1730 GMT 28 Jun 90

[Text] The government wants to reduce the amount of local currency in circulation and regulate the exchange rate for foreign currency on the parallel market by establishing a public sale of foreign currency. This was disclosed last night by President Ramsewak Shankar during the presentation of the emergency program of the government. The council of one of Suriname's financial institutions will be charged with the sale by auction of foreign currency on the basis of demand and supply. According to the head of state, complete proposals for the implementation of this plan will shortly be made. Shankar last night also announced that licenses to import goods without foreign currency transfer by the state will in the future be granted to a limited number of importers. Further, [word indistinct] for transit trade will be increased from seven to 30 percent in order to regulate this form of trade. President Shankar, in relation to this question, said that the transit trade is being used as a pretext to keep a [word indistinct] contraband trade going.